

## Minutes

### Summer term 2019 meeting of the Audit and Risk Committee

Wednesday 26 June 2019, 4.30pm

#### **Present:**

Philip Dyke  
Howard Platt  
Alan Farquharson  
Linda Waterson (Chair)  
Stephen Whatmore  
Matthew Grant

#### **In attendance:**

PD Adrienne Laing (Bridgewater High School)  
HP Lisa Adams (Clerk)  
AF Mike Benson (External Auditors)  
LW Neil Clarke  
SW  
MG

#### **1. Welcome**

Committee members of the audit and risk committee were welcomed to the meeting.

#### **2. Absence/Apologies**

Apologies were received from Claire Findlay, Gary Stuart, John Carlin, Bev Scott-Herron, Misia Barclay, Tim Long and Vicky Briggs.

#### **3. Declaration of personal interests**

There were no declarations of personal interest.

#### **4. Minutes**

The minutes from the meeting held on 6 March 2019 were agreed as a true and accurate record subject to the following amendment:

The word 'not' is removed from the statement on page 3.

It was agreed that the CET would review the score cards.

All actions have been completed.

#### **5. Internal audit**

##### **- Finance**

It was reported that this is the 3<sup>rd</sup> visit this year. The focus of the visit was to look at the financial controls in place across the Trust. The auditors

visited Bridgewater High, Beamont Collegiate and Penketh High to carry out some sample testing. There were a number of good practice points identified. The main recommendation was around ensuring that there is consistency across the Trust. HP noted that this is a very useful report from a trustees point of view and felt that it was good that all areas are being looked at separately. The Chairperson noted that it was encouraging to see that both internal audit reports were positive. It was felt that the overall summary was very useful. It was also felt that this document is helpful for any schools looking to join the trust.

MG reported that the internal auditors worked with a number of colleagues across the trust and their approach was very supportive. The auditors also took into consideration the things that were being put in place.

**SW asked** if the data protection recommendation has been actioned. The committee were assured that work is currently being done with all the schools and a data mapping exercise has been put in place. **LW asked** if Padgate Academy were up to date with the procedures. AL informed them that they are catching up.

Following a review of the structure of the finance functions it was agreed that the trust would appoint 4 Finance Managers from people already working across the Trust in various academies. It has also been agreed that a new HR system be installed with a HR Manager appointed at trust level. All payroll administration will be completed at academy level. **HP asked** if this appointment would have an impact within the academies. It was noted that it would however some of the roles are only part of a persons job at a school. Some of the roles will gravitate back to the Trust however this could free up capacity at individual schools.

AL informed committee members that a lot of work has been done on HR this year.

HP noted that the audit reports provide the Trust with evidence of challenge on the systems in place.

#### - **Risk Management**

It was reported that in terms of risk management the following recommendations were identified:

- Risk Management Strategy and Policy
- Risk Management Training for Governors and Central Executive Team
- Emergency plans for the Trust

Members were informed that some of these areas will be picked up on the agenda tonight.

HP asked if the Trust would be developing a risk management strategy. It was noted that it is an agenda item for this meeting.

- **Draft schedule for 2019/2020**

MG proposed that the visit 1 and visit 2 be changed over. It was felt that the budget audit would be more beneficial when the new finance team is embedded. The HR audit will then be in September/October with the budget in January.

HP noted that it is good to see that value for money will be a focus. It was felt that it was good to see that the audit will include a review of the curriculum and planning as this is a focus area for Ofsted. LW asked if the Neil had done an audit on this area before. He informed them that he hadn't and that auditors with the expertise will be allocated to do the review.

HP noted that the brief is a lot wider than he expected in terms of audit.

AL noted that the internal audits are really useful. There is a lot to do but all schools are working together. It has also helped change the way of thinking on some areas.

MG informed the committee that the new Ofsted framework focuses on the curriculum content so the review will be very supportive particularly for the schools who are due an inspection. The auditors will be able to ask questions in a non threatening way which will prepare them for an actual inspection.

## **6. External Audit**

- **Plan for 2018/2019 accounts**

MB presented a report from the external audit of the accounts for 2018/2019. He met with KT and DM a couple of weeks ago to go through the accounts.

It was reported that the financial position is stable. He noted that the results of the internal audit are pleasing. There is evidence that controls are embedded but there is still some work to be done on consistency. The development of the central finance team will support with this. The risk has been assessed as medium due to some systems still being pulled together.

MG reported that the outcomes of the safeguarding audit was strong and corporate governance was substantial.

It was reported that the auditors are obliged to consider all the risks. Capital expenditure and achieving value for money are risks. Work also

needs doing in terms of pay roll. A proposed timetable is being put in place. As internal audit have completed some testing at schools this will be taken into account.

SW felt that it is important to streamline the processes as some of these reports are shared a number of times. MB reported that it can be made clear who the main authorisers are. MG reported that currently the Trustees want to see all the figures however overtime this may change. In terms of the medium risks identified it is appropriate for the Trustees to see the figures.

A discussion took place on which committee owns it. AL informed members that under the academies handbook the Trust is required to have an audit and risk committee to receive these reports. HP suggested that if the audit and risk committee discuss the report in detail then it should only need to be circulated to the Finance, HR and Operations Committee. It was suggested that a copy could be sent to all Trustees and are given the opportunity to comment.

**LW asked** if the members have a view that the finance committee approve the accounts with assurances that they are audited at this committee. The members agreed.

## **7. Risk Management**

### **- Risk Management Plan update 2018/2019**

A copy of the risk management plan update was circulated to members.

MG reported that there has been a significant increase in the number of applications at the schools. Priestley are experiencing a growth of about 60 student applications however the exact numbers will be confirmed in September. A lot of work has been done in terms of transition with the secondary schools working with the Year 6 children and Priestley working with the Year 10's.

It was reported that Bridgewater High has recently had a pilot inspection which was judged as good. Priestley has also had a full inspection, a copy of the report will be sent to the Trustees next week. LW reported that Beamont Collegiate had also received a good safeguarding inspection from the Local Authority. MW reported that Tracey Hatton has been appointed to lead on safeguarding across the schools.

HP noted that Tracey Hatton presented data at the curriculum and standards committee. He suggested that she be invited to present to the Trustees. MG informed members that he is in discussion with the Chair of Curriculum and Standards about the number of reports that are presented. It was felt that some reports could be sent straight to the Trustees. MG noted that the new Ofsted framework will put pressure on

this committee and it may be that additional meetings will need to be held. During the inspection at Priestley the inspectors didn't ask any questions about finance or safeguarding.

It was reported that in terms of estates good progress is being made. Some of the smaller areas of work have been approved and the larger jobs will be discussed at the Finance, HR and Operations meeting.

Penketh High are currently going through a restructure and a consultation process is in place.

There has been no further disruption with the internet at Priestley and steps are being taken to ensure that Penketh Highs systems are more secure.

In terms of the budget 3 year plans are in place however with the proposed spending review it is difficult to plan. The pension grant and the pay award grant haven't been included as the amount schools will receive is unknown. Padgate Academy is predicting a deficit for next year and a number of investments have been made over the summer to support the teaching and learning. LW noted that it is her understanding that Padgate Academy has picked up a number of 2<sup>nd</sup> preferences and asked if they had also had an increase in the number of 1<sup>st</sup> preferences. MG reported that they have and that Sir Thomas Boteler has also received an increase in applications. AL noted that it is a significant increase in applications and not just one or two.

HP noted that this report shows all the positives and also details the journey.

- **Risk Management training**

It was noted that training on risk assessment for committee members and managers within the Trust is required. It is proposed that this will take place early next academic year.

**Action: NC to provide training for the trust**

- **Risk management policy draft**

A copy of the risk management policy was circulated to the committee members. The committee approved the policy.

HP suggested that risk management could be considered as a training event for all members.

NC has sent some example risk management policies to DM.

## **8. Any other business**

There was no any other business.

**9. Proposed future meeting dates**

The proposed future meeting dates will be agreed at the trust board meeting.

It was agreed that the venue for these meetings would be Priestley.

Closed at 17:26