Audit and Risk Committee Meeting Minutes

Thursday 26th June 2025

Venue: TCAT Professional Development Centre

Chair: Linda Waterson

Clerk: Melissa St. Clair m.alexander@tcat.uk.com

Committee Members		**Term Ends**
John Cartwright (JC)	Trustee	23/06/2025
Howard Platt (HP)	Trustee	11.01.2028
John Warren	Trustee	11.01.2028
Linda Waterson (LW)	**Chair**, Trustee	01.07.2025
Stephen Whatmore (SW)	Trustee	01.07.2025
In Attendance		
Mike Benson (MB)	External Auditor	
Neil Clark (NC)	Internal Auditor	
Phillip Dyke (PD)	Associate	
Adrienne Laing (AL)	Operations Director	
David Halsall (DH)	Chief Finance Officer	
Andrew Moorcroft (AM)	**CEO**, Trustee	N/A
Andrew Thompson (AT)	Internal Auditor	
Nicola Tucker (NT)	External Auditor	
Melissa Alexander (MA)	TCAT Clerk	

Documents Shared Prior to the Meeting:

Item 7. Minutes from the previous meeting 13.03.2025
Item 8. Finance Update Presentation
Item 8b. TCAT CT Tax Review
Item 9. TCAT Audit Strategy Memorandum Report
Item 10a (1) TCAT Safeguarding Report
Item 10a (2) The Challenge Academy Trust Cyber Security Report
Item 10a (3) TCAT Admissions Process Report
Item 10a (4) TCAT - Staff Recruitment Retention Report
Item 10a (5) TCAT - Follow Up Report
Item 10a (6) TCAT- Annual Report 2024-25
Item 10b (1) ICO Report
Item 11a. Risk Management Report
Item 11b. Risk Management Summary Presentation

	Agenda Item	Allocated time
1.	**Welcome:** MA welcomed the committee to the final committee meeting of the academic year.	
2.	**Any items for AOB/ Part Two – Confidential:** MA confirmed that there is one item for AOB, which is the appointment of the internal auditor.	
3.	**Absence / Apologies / Non-Attendance:** JC shared apologies for this meeting on 13.03.2025. NC shared his apologies. These apologies were accepted by the committee.	
4.	**Register of Interests:** There were no registers of interests shared.	
5.	**Declaration of pecuniary interests in relation to agenda items:** There were no declarations of pecuniary interests in relation to agenda items.	
6.	**Membership and Organisation:** LW shared that she will be standing down as a TCAT Trustee and Chair of the Audit and Risk Committee. LW shared that there will be a vacancy as the chair of the Committee.	
7.	**Minutes of the Audit and Risk Committee meeting which took place on Thursday 13th March 2025:**	

	a) Approval of the Minutes: The minutes from the previous meeting were approved by the Committee. b) Matters arising: c) Action log: All actions were checked by LW.	

Action Log:

Minute Reference	**Action to be taken**	**By Whom**	**Completion Date**
8.	Circulate consolidated management accounts to all trustees on a monthly basis	DH	Monthly basis
8.	Evaluate the potential benefits of implementing the IMP tool for enhanced reporting and analysis	DH	19/06/2025
10.	Update the residual control table on page 14 of the	AL	19/06/2026
10.	Separate risks relating to Penketh High School buildings for future reports	AL	19/06/2026
13.	MA to note that JC will be unable to attend the next meeting scheduled to take place on 28.06.2025	MA	19/06/2025

8.	**Finance Update: DH** (For information and discussion) Finance Team Update: DH provided the committee with a team update, explaining that he collected feedback from the Finance Team and categorised the feedback into three areas, 'People', 'Processes' and 'Reporting and Systems'. DH explained that a Finance Strategy Planning Day was hosted at The Halliwell Jones Stadium to discuss key areas of concern and staff development.	**15 minutes**

	DH assured the Committee that the Finance Team have demonstrated full commitment to their roles and highlighted the significance of empowering the team to push forward and building of resilience. DH added a new Management Accountant is scheduled to join the Team on 1st July which will provide additional resource for the Central Team and shared that ongoing training is being led by Civica when this is required. ***A Trustee queried if there was a strong field for applicants for the role of Management Accountant. DH confirmed that there were a number of applicants and stated that Lynne Randle's application was extremely strong.*** ***A Trustee queried how the role of Karen Threadgold's role would change.*** ***DH confirmed that Karen Threadgold will focus on internal reporting and Lynne Randle's focus will be external analysis and reporting/ audits.*** ***A Trustee asked if Alison Davies has retired.*** ***DH confirmed that Alison is working two days a week and is involved in a handover process to support a new member of the Finance Team.*** <u>Finance systems, processes and reporting:</u> DH explained that the standardisation and industrialisation relating to processing has been made more explicit. DH added that there has been a standardisation of documents to improve the way in which reporting is carried out. DH explained that tools, reporting and systems have significantly improved and confidence with Civica. Reporting has been reintroduced and shared that the team are in the process of working on a standardised balance sheet and cash flow. DH explained that IMP will standardise and automate key reports, budget setting, and employee budgets, interfacing with Civica to simplify the budget process. This will reduce manual input from multiple individuals and streamline operations. DH highlighted that the board has approved proceeding with IMP, highlighting the importance of this decision given the growing complexity of the Trust's financial operations. <u>Audit Readiness:</u> DH shared that work is being done to ensure documentation is collected in preparation for the upcoming teachers' pension audit and external audit.	

	A Trustee questioned if NT is comfortable with the work carried out to prepare for the audit. ***NT confirmed that she is comfortable and the developments that have been made. NT shared that open conversations are taking place and there has been clear progress.*** Corporation Tax: DH provided a brief synopsis and shared that he will take this paper as read. DH confirmed that HMRC can ask the Trust to complete returns and explained that different types of revenue can be taxable, such as non primary purposes whereby the threadshold is £80,000 of non-core educational. DH explained that an assessment has been made from August 2024 and confirmed that the Trust are currently £55,000 in profit. ***A Trustee questioned if the tax collection would be zero.*** ***DH confirmed that TCAT will not pay corporation tax on this sum.*** DH confirmed that Murray Smith have worked in collaboration with TCAT to remove penalties and confirmed the charity status has been updated in March 2025. NT explained that this process has had to be followed to ensure that all profits were accounted for, confirming that anything that is non-education related beyond £80,000 is taxed. ***DH made a recommendation to the Committee to form a trading subsidiary to channel non-primary purpose income, which would then gift profits back to the trust. The Committee approved this, agreeing with DH's recommendation to organise a subsidiary.***	
9.	**External Audit:** Audit Strategy Memorandum (For Information) NT provided a brief update on the external audit planning for the current financial year. NT confirmed that Murray Smith have assessed the Trust as being in a strong position. The audit risk remains classified as medium, primarily due to the Trust's experiences in the previous year, however, NT highlighted that key improvements have been made which are putting the Trust in a stronger position. NT referred to page 11 of the report, and briefly showcased the key audit risks which are noted as follows: • Expenditure (due to the use of public funds) • Payroll (as a major cost area)	

	- Deferred income (ensuring correct year-end cut-off) - Capital expenditure (ensuring correct classification between capital and revenue) - LGPS pension scheme (accurate accounting) - Consolidation (ensuring all entities are correctly included in group accounts) NT shared with the committee that the interim audit work and planning is scheduled to begin in August. On-site audit fieldwork scheduled for week commencing 27th October with draft statutory accounts to be prepared by the Trust in advance of this date. Final audit work to take place week commencing 3rd November and audit findings will be presented on 4th December. A Trustee commented that NT's assistance with TCAT's statutory accounts would be valuable and shared that the Trust will appreciate the auditor's support in the preparation of the statutory accounts. ***A Trustee questioned if AM will be in attendance for the final meeting with Murray and Smith.*** ***AM confirmed that he will be in attendance and that he feels assured by the support that is being provided.***	
10.	**Internal Audit Reports: AL** (For Information and discussion) <u>Safeguarding Audit</u> The audit concluded with a strong outcome and no formal recommendations. Results were favourable, falling below benchmark averages for issues identified. ***A Trustee queried if the Safeguarding Panel were heavily involved in the Safeguarding Audit.*** ***AT confirmed that key Safeguarding Leads were involved with this process.*** <u>HR Audit</u> A substantial assurance rating was received. The audit identified two recommendations and two observations. The Trust received fewer recommendations than the national average, indicating strong HR practices. AM added that the Trust are working on a consistent process for recruitment to ensure there is consistency across the Trust. AM highlighted that the Trust expected these	**20 Minutes**

	recommendations and have found these very useful in helping move the Trust forward. ***A Trustee asked AT if information was missing from the same files as part of the sampling process? AT confirmed that missing information was spread across the sampling, not specific files.*** ***A Trustee questioned if the incomplete files were held centrally, or at an academy level and if AT confirmed that conversations took place with BL, but the missing files could not be located centrally.*** <u>Admissions Audit</u> The audit was rated strong, with one recommendation and one observation. Emphasis was placed on the consistent use and retention of admissions documentation across the Trust. <u>Cyber Security Audit</u> A substantial assurance rating was awarded. Four key recommendations were made, which were fewer than sector benchmarks. The review focused on identity management, infrastructure, and end-user security. ***A Trustee queried who the Cyber Security Team are. AL confirmed that relevant IT leads, AL and PH. The response team are made up based upon the risk. PH shared that the RPA can be called upon for support with an Incident Support Plan, should this be required.*** ***A Trustee challenged if there is enough training to support TCAT staff with managing threats. AM confirmed that training is being developed to support colleagues across the Trust, with specific training for Heads and Principals.*** ***A Trustee raised that cyber attacks can be costly. AL and PH confirmed that there is cyber security insurance. A Trustee highlighted the focus should be on the expertise and plan, rather than the insurance.*** <u>TCAT Annual Report 2024–25</u> The report concluded that the Trust has adequate and effective risk management processes and robust governance structures. Trustees welcomed the report and found it valuable for informing future planning. <u>Follow Up:</u>	

	A Trustee challenged that some actions carried over from 2023-2-24 and requested assurance moving forward. ***AM confirmed that procurement is a key priority and that additional capacity within the Central Team is limited due to limited resource. AM explained that some items have not been addressed as quickly as a direct result of staffing and explained that this was an expected action from this audit.*** AM added that most contracts are reviewed in April when contracts can be further assessed and explained that this will provide the Trust with an opportunity to improve procurement processes. <u>ICO Audit</u> AL reported that the ICO audit was constructive. The primary area for development identified was the continued enhancement of the Trust's IT strategy. AL explained that the information from this audit is useful and will assist with the Trust's developments of a digital technology strategy. ***A Trustee queried why the ICO audit took place.*** ***AL confirmed that the Trust were invited to engage in a consensual audit which was originally not actioned. The Trust were then informed that this audit would be scheduled and took place in April 2025.*** ***A Trustee challenged if there are enough resources to effectively meet the recommend actions within the audit report.*** ***AL confirmed that the actions included in the ICO Report are repeated actions and explained that Data Protection Impact Assessment (DPIAs) need to be reviewed more regularly.***	
11.	**Risk Register: (AL) (**For information and discussion) AL explained that the Risk Register has been updated and amended adding the RiskMate platform is continuously under review. AL explained that the presentation has been narrated to highlight the key amendments. AM explained that going forward spotlight focuses will be added to committee agendas and asked the committee if they would like to see any specific spotlights to be added. No requests were made by the committee and a Trustee commented the there is a good balance of risks highlighted.	**5 minutes** **20 minutes**

Spotlight Item- Cyber Security: CM and Abtec**:** (For information and discussion)

This agenda item was brought forward with consent of LW to allow CM and PH to present a spotlight update. AL shared the reasoning for this update and provided a brief overview relating to the Trust's aims and objectives.
AL made reference to TCAT's IT plan from 2019 and confirmed that most milestones have been implemented. AL introduced the committee to the 2024-2025 Project Implementation Plan and the Trust's commitment to meeting digital and technology standards in schools and colleges following DfE guidelines.

PH provided the committee with an introduced and explained the work that has been completed over the last four years to develop the Trust's IT identity. PH confirmed that all academies are connected to Outlook and Google clouds and shared that there is a complete cloud only model in place. PH explained that applications have been implemented to improve day to day IT operations at an academy level.

- Identity Management:
  Single Sign-On (SSO) systems are in place with robust policy controls. Centralised logging enables effective risk monitoring and mitigation.
- Infrastructure and Safeguarding:
  Firewalls are centrally configured to ensure consistent safeguarding and cyber security standards across all sites.
- Wireless Networks:
  Cloud-managed wireless systems are operational at 13 sites, excluding PHS, BCA, and PRI. AI-driven wireless management optimises performance and reduces energy consumption.
- Next Generation Wireless:
  WiFi 6 has been deployed Trust-wide, with WiFi 7 planned for future implementation to meet evolving educational needs.
- Technology Standards and Compliance:
  A Trust-wide Technology Standards document, aligned with DfE guidance, has been developed. A visual RAG-rated compliance tracker was shared, demonstrating significant infrastructure progress.
- Cyber Security Measures:
  Anti-virus protection is in place for all end-user devices and cloud storage. Microsoft Defender for Office 365 has been adopted to enhance threat protection.
- Cyber Security Awareness:
  A Trust-wide phishing simulation was conducted. Staff

	who engaged with the phishing link received targeted training. Completion rates contribute to the Trust's Cyber Security Award accreditation. • <u>Privileged Identity Management:</u> Additional approval layers have been introduced to strengthen access controls for sensitive systems. • <u>Cyber Security: Accreditation:</u> TCAT are accredited with a certificate of assurance which has been awarded via a deep dive of the Trust. PH added that the recent actions are being developed ***A Trustee challenged who manages access and controls.*** ***AL confirmed that this safety feature is in place all the time.*** ***PH added that this helps in tracking changes.*** ***AM questioned how genuine mistakes are being managed.*** ***PH confirmed that requests are made via a ticket, and approval is made by the owner before any changes are made. PH explained that Privileged Identity Management creates an extra level of security for day to day activity.*** AL shared the Trust's commitment to continuous improvements which are being developed in line with the IT Access Management Plan 2025-2026/ AL shared the Trust's key areas of focus which are as follows: -standardisation of policy and processes - hardware management - software management - staff structures - threat monitoring and defence ***DH queried how we keep risks at the front of mind*** ***CM continued that phishing testing will continue, and further training will be implemented across the Trust.*** It was agreed by the committee that further training is required and ongoing exercises will be beneficial. ***PD queried if there are any benchmarks for the phishing exercise.*** ***PH confirmed he does not have this at the moment but can develop this for the Trust.*** AM raised that cyber security threats are one of the Trust's largest risks and that continuous considerations are being	

	made relating to the Trust's financial investment to enhance cyber security and safety. PH confirmed that if the Trust are currently well protected due to the investment of protective security and explained that there is a balance between security features and creating obstacles that slow people down in their day-to-day jobs. PH highlighted that there is a risk vs cost to consider and confirmed that the Trust are in a good position based on recent audits.	
12.	**Additional Risks: Verbal Updates (AL)** (For Information) <u>Niche Contract:</u> AM explained that Niche were appointed to fit ground source heat pumps which have failed to work effectively across a number of TCAT academies. AM shared that several meetings have taken place to try to resolve the problems, however, some sites still remain without heating. AM explained that the trust will retain the remainder of the contract but pursue arbitration to recover remedial costs related to the ground source heat pump project. AM added that TCAT has appointed a solicitor to undergo this process, legal advice is being followed, and the Trust would be covered by insurance. AL added that a replacement contractor has been appointed to ensure Padgate Academy's heating can be fixed in preparation for autumn and winter. <u>Sixth Form Closures:</u> AM shared that there are two sixth form academies within the Trust who have started consultations for sixth form closure 2026-2027. AM added that recommendations will be shared with Trust Board in autumn. AM confirmed that there is an additional Trust Board meeting added to the calendar for October 2025 with this as the only item for the meeting.	**10 Minutes**
13.	**AOB:** ***AL asked the Committee for their approval to continue the internal auditors for another academic year with the view to go through the tender process next year. The Committee unanimously approved this.*** HP added that a new Chair is required for the Audit and Risk Committee. AM encouraged trustees to contact him directly if they were interested in filling the role as Chair of this committee and shared that this vacancy has been added to the agenda for the upcoming Trust Board meeting on 10/07/2025.	

	AL added that the appointment of Chair can be made at the first meeting of the academic year.	
14.	**Date and time of next meeting:** • Thursday 4th December 2025, 4-5:30pm	
15.	**Part Two – Confidential** There were no part two confidential items discussed during this meeting.	

- CM and PH left the meeting at 17:22
- AT left the meeting at 18:07
- This meeting was closed by LW at 18.19

Actions:

Minute Reference	Action to be taken	By Whom	Completion Date
8.	Set up a subsidiary to channel non-primary purpose income and manage VAT and corporation tax exemptions. (David)	DH	ASAP
6.	Appointment of new chair at the next committee meeting.	MA	04/12/2025
10.	Circulate the safeguarding audit report to the safeguarding panel via GovernorHub.	MA	ASAP
10.	Further considerations relating to improved procurement procedures.	DH/ AL	On going
14.	MA to amend the timings for next year's Audit and Risk Committee meetings to ensure meetings are two hours long.	MA	ASAP