

Audit Committee – Part I Minutes							
Date/Time	11:09:18 4.00pm	Location		Okehampton College			
<b>Attendees</b>	<b>Initials</b>			<b>Attendees</b>	<b>Initials</b>		
Daryll Chapman (arrived 4.25pm)	DC	John Lawlor	JL	Ian Courtney	IC	Marilyn Livingstone	ML

Apologies	Initials	Reason (Category of Trustee)
Rebecca Ledger	RL	Holiday

<b>ACTIONS</b>
<b>DECISIONS</b>
<b>QUESTIONS AND CHALLENGES</b>

In Attendance	Initials	
Hazel Fox	HF	Vice CEO
Susanne Kiff	SK	Chief Financial Officer
Sally Wood	SW	Governance Manager
Caroline Thomas	CT	Thompson Jenner
Dave Tucker	DT	Thompson Jenner

Minutes to
Attendees
Apologies

1 - Apologies
<ul style="list-style-type: none"> <li>RL has sent apologies</li> </ul>

2 – Declaration of Interest
<ul style="list-style-type: none"> <li>All Trustees were reminded to declare any conflict of interest that may arise during the meeting.</li> </ul>

3 – Agree and Sign Off Previous Minutes
<ul style="list-style-type: none"> <li>The minutes of the Audit Committee meeting held on 07:06:18 were agreed and signed by JL.</li> </ul>

## 4 – Matters Arising

- Safeguarding training - Gill Tremain is arranging a session for Governors and Trustees.
- Membership of Audit Committee - to be considered at Trustees. Trustees discussed the benefits of having Church schools fully represented within the Committee.
- Trustees noted the plan to do training events for LGB / Trustees once a term.

**Action:**

**SW to agenda Committee membership for Full Trustees**

## 5 – Matters Brought Forward at the Direction of the Chair

- There were no matters brought forward at the direction of the Chair

## 6 – Internal Audit Report

- DT and CT were in attendance from Thompson Jenner.
- Trustees were advised that should be mindful that internal audit had now been in twice in a short space of time. Whilst there was still a lot to be done, the MAT was still new.
- DT highlighted that all new MATs followed a curve of coming together, experiencing change, followed by alignment and then consistency.

**Trustees asked how they compared to other MATs**

DT responded it was on a like for like basis; we were at similar level as other new Trusts. There were some challenges that all Trusts come across and they had seen those issues with numerous Trusts. Some Trusts have existed for longer but still experience these issues.

**Trustees asked SK that taking into account some of the audit feedback in respect of cash handling whether the fundamental structure was contributing to these and if the structure could be / should be different**

SK responded that although the plan was not to centralise aspects before the MAT formed, she was leaning more towards centralisation of financial transactional processes and there was an ongoing discussions within the Executive in respect of this. Any significant restructuring would be brought before Trustees.

**Trustees challenged it felt inevitable that they could be sitting here in 10 years saying the same thing**

SK responded it was a journey and they would need to adapt. Technology advances helped to drive systems and there were advantages of that. With multiple income sources, some lend themselves to a nice structured system. There was a need to have a backup and look at mitigation. There needed to be segregation with duties split up, but it was a journey.

Trustees queried how you achieve dual control of cash if people bring in money to a small primary school and two members of staff are teaching

CT responded it was about the software, you wouldn't achieve segregation of duties. The risk can't be got rid of entirely, but the Trust should aim towards a high percentage paying online, then cash is almost gone.

Trustees asked what percentage of the Trust was cashless

SK responded there was a general move to cashless. There is a huge cash economy and 40% of people don't have a bank account.

- Trustees were advised that the RAG rating was detailed in the report for clarification. Red ratings need immediate action. Trustees were provided with a one page summary with the main areas to focus on highlighted. Most areas were income, but there were some regarding cash in small schools where they was no segregation at all.

Trustees queried the definition of segregation

CT responded it was one person receiving and another recording it.

- Trustees noted the use of school comms should be encouraged to reduce percentage of cash coming into the schools.
- Trustees noted that the amber ratings were efficient working schools where working practices are inefficient.
- Trustees were advised that there was limited scope for improvement due to the numbers of people.

Trustee queried the use of meal tickets

CT responded these would be used rather than cash, where pupils hand over a ticket. These can then be reconciled back, but some schools don't have that system.

Trustees challenged what North Tawton were doing that was obviously working

It was clarified that they are using school comms.

Trustees queried if it was a high percentage of parents using school comms there

SK was not sure of the exact percentage. CT added that they input all cash received into school comms, this was not essential. The indicator F on the one page summary showed where there was full use of school comms and a P showed partial use.

- Trustees noted a concern at Okehampton Primary where there was a significant amount of parents still paying cash, at least 50% and this gave too much scope for things to go wrong

Trustees asked for further detail for Holsworthy Community College

CT responded that they had school comms, but cash income was not receipted and a till was used for some monies.

- Trustees noted the difficulty obtaining money at times from parents which would result in an increase of chasing debt. Less cash payments would mean more debt.
- CT highlighted that was possibly enough staff at Okehampton Primary to segregate the receipt and recording of cash. **SK will review the office organisation at Okehampton Primary.** She added that she was aware that cash is really important to some families.

## Trustees asked if there was evidence that money was going astray

CT responded there was no evidence. There was a concern at Holsworthy during the audit (point 1b) where she couldn't find an invoice for the hire of the hall. However subsequent investigation had identified the income received as cash and banked as cash at the time.

## Trustees queried if Holsworthy had not followed the purchase order process

CT responded there should be an order, so a purchase order would be raised, approved and then sent to the supplier. The supplier would then send the goods and the invoice. If there was no purchase order raised in advance and the invoice was dated before the date on the purchase order.

## Trustees queried what the n/a meant against schools

CT responded those were deliberately not tested.

- CT advised she was impressed with Chagford in terms of income collection and their willingness to improve. The fact that the Trust were being audited was good as it showed that the Trust wanted to improve.

*DC arrived 4.25pm*

## Trustees queried note 2

CT responded that was staff expenses at Bridestowe where there had been verbal authorisation of expenses.

- CT advised that the point about efficient working practices was a Trust wide one which was about change to make controlling things easier.
- SK stated that the Finance staff had had a session to train them and to go through the process again taking them right back to basics.

## Trustees challenged if there were case where people say they don't know the process

CT responded yes, that was to be expected, the Trust needed to look at how staff know where to go. SK added there was a sharepoint site for the staff where information and contact lists were stored.

## CT asked for an update on the bank

SK responded it was reconciled, August isn't as of yet, but things would work like clockwork from September. SK added that as they had reconciled and unpicked, it had not been that difficult

## Trustees asked what the issue was

CT responded that the bank had not been reconciled due to budget software issues. G4S had been sweeping everything in one go and there had been a lack of time to do the bank reconciliation. SK added it can be done daily or weekly, but it will be done in future on a regular and consistent basis.

## Trustees asked if there was anything the auditors wanted to raise

CT responded PSFinancials and the advice that had been given to not record cash received on PSFinancials until it hit the bank. Therefore income was not recognised until the bank statement was received, but it should be recorded a lot earlier than that. SK added this was mixed messages and they had confirmed at the training that the bank account should not feed the system.

- DT advised that the audit pointed out areas where extra work might be needed which could seem quite daunting, but they still picked up on other Trusts where orders are placed without purchase orders.

Trustees raised that they understood the concern for small schools, but two larger schools were identified in the audit SK responded that in the Trust response to the audit, they had identified solutions. Nuala McDermott was going to schools to highlight school comms and that was the next stage to be implemented. CT added the new Headteacher at Okehampton Primary was keen to get things working like clockwork.

Trustees queried that the cost was for schools comms

SK responded that she had a quote and it was quite minimal. The focus needed to be on Holsworthy College and Okehampton Primary first.

It was agreed that:

- a. School Comms will be introduced at all schools.
  - b. Parents will be encourage to use School Comms whenever possible.
  - c. However it was recognised and accepted that some parents will still prefer to pay with cash. A method for process separation of cash will be introduced at all schools.
- CT highlighted the use of ‘nursery manager’ software at South Tawton where you can retrospectively change an invoice.
  - Trusteed noted there was discussions for this software to be used elsewhere, but SK and AH are o look at it in detail with a view to rolling it out.
  - Trustees fed back that the template and the top level summary provided today was helpful.
  - CT advised that at the next audit which was likely to be the new year, they would review the actions from this time. Trustees asked for Highampton to be looked at as they have now joined the Trust.
  - It was agreed that Thomson Jenner would attend the meeting on 26 February 2019 to report back on the next internal audit

CT and DT were thanked and they left the meeting at 4.45pm

Trustees asked SK for feedback on the audits to date

SK responded she thought the auditors were very good - fair and thorough.

Trustees asked if they were challenging enough

SK responded there was likely to be more challenge in future but at the moment they recognised the newness of the Trust

Trustees asked if they were providing value for money

IC responded that the reports were much more detailed that he had seen previously and it has enabled him to see the bigger picture which tonight had powered the question about whether the structure was right.

- Trustees discussed that centralisation was looking the right way to go.

Trustees asked if LGBs received the same overview

SK responded that Finance staff would see the overview now that Trustees had. SK was tasked to send the audit overview to Chairs of LGBs. SW to distribute to all Trustees with the minutes

<b>Action:</b>	<p>SK to review the office organisation at Okehampton Primary</p> <p>SK to ensure that School Comms will be introduced at all schools</p> <p>SK to ensure that parents will be encourage to use School Comms whenever possible</p> <p>SK to introduce a method for process separation of cash will be introduced at all schools</p>
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**SW to agenda Thompson Jenner to attend the Audit Committee meeting on 26:02:19**  
**SK was tasked to send the audit overview to Chairs of LGBs.**  
**SW to distribute to all Trustees with the minutes**

## 7 – Agree Audit Timeline

- Trustees noted that the next audit would review the red areas and as many ambers as possible.

Trustees queried how long the contract with Thompson Jenner was due to run for

It was clarified it was an annual process with probably another two visits before summer 2019.

- Trustees agreed with the proposed schedule of audit dates

## 8 – Exam Results

- Trustees were advised that the Trust uses 4Matrix for analysing secondary data and examination performance. This year's exam results had been initially processed through this platform which incorporates 505 schools in the data pool. The Trust has also used another platform called SISRA which includes 1165 schools in its data pool so that we can compare the two sets of data.
- DC advised that the coefficients would likely change as more school data becomes available nationally so progress at the moment is based on 2017 coefficients (factors). The starting position for progress is the KS2 results.
- Trustees noted the major concern is Holsworthy Community College which had a progress 8 (P8) figure of -0.61 which means that 61 in every 100 exam results were lower than should have been. The national average is supposed to be 0.00. There has been a deterioration of results in Holsworthy College this year as predicted (and flagged up with the RSC office prior to conversion) which was on top of poor results last year. Their three year trend is negative.
- Trustees noted the following P8 figures for Holsworthy College. English -0.71, Maths -0.65, EBACC was -0.20 and the open pot was -0.91.
- Trustees discussed what such outcomes would likely mean in terms of OFSTED inspection judgements. DC suggested that the school would likely be considered a SM school. It was noted the previous year's P8 was -0.61 initially but after some disapplications and changes to coefficients it was validated at -0.2. If disapplications were successful this year, it would take Holsworthy to -0.45. The floor for secondary schools last year was -0.5.
- DC advised that when using SISRA the P8 was -0.55, so marginally better than the 4Matrix prediction.
- DC moved onto Okehampton College which had a P8 of 0.05 against 4Matrix which, against last year's league tables would classify them as an average school. Two of the core subjects were down on last year (English and Maths) which has a big impact considering they were worth 4/10th of the overall P8 figure.
- Trustees noted that a big issue for Okehampton was disadvantaged students. Their performance last year fell away considerably. Also, the gender issue continues with girls significantly outperforming boys last year across the board.
- Okehampton College, however looks ok and is well placed against other Devon Schools which submitted data in August.

- Tavistock have improved performance in many areas this year with a P8 through 4Matrix of -0.08 (SISRA - 0.01.) They have climbed up from a P8 of -0.21 in 2017. English remains strong but Maths underperformed with a P8 score of -0.32.
- There has been improvement in the open bucket and EBACC which saw a significant improvement in Science. Also, very pleasing to note is the Improvement in performance of disadvantaged pupils.
- Trustees noted the risk was Holsworthy and DC updated that although they had applied through the RSC office for extra support, there wouldn't be any. Andrew Sweeney was the new Head of School there with Tracey Amos supporting him two days a week. DC and HF had held support meetings for English and Maths as part of the MDIF grant that we secured last term.
- DC advised there was a lack of capacity and resources within the school which would continue to cause concern until structures and procedures have been replaced.
- Trustees noted the P8 figures could and would change continually until the point of final validation which won't be until the new year. Indeed, they have already changed slightly, especially when the outliers are taken out of the data sets. However the results are relative to other schools so give us a good idea of performance.
- Trustees will be given more in depth information at the forthcoming School Improvement Committee meeting.
- HF advised Trustees of Primary attainment results and confirmed the progress data would be available in November.
- Trustees noted the following lowest performing schools in order.

EYFS – Bridestowe, Exbourne and Lyford, North Tawton and South Tawton

Phonics - Bridgerule, North Tawton and Bridestowe

KS1 reading – Bridestowe, Lyford and Boasley Cross

KS1 writing – Boasley Cross, Lyford and North Tawton

KS1 maths – Bridgerule, Boasley Cross and Lyford

KS2 reading – Bridestowe, Chagford and North Tawton

KS2 - writing – North Tawton, Northlew, Boasley

KS2 maths – Bridgerule, Bradford, Northlew, Okehampton Primary

- Trustees agreed that Bridgerule is the biggest concern
- Trustees were advised that the training for the new tracking system for the Primary Schools had been rolled out.
- Trustees noted the need for a data sharing protocol for this information to be shared with LGBs and Trustees.

## 9 – CFO

### 9.1 Summer building works

- Trustees had received a report prior to the meeting and noted that all of the issues were at Okehampton College. The sports hall doors did not arrive so would not be finished till half term. The all-weather pitch lights would be changed in September. The trampoline was not serviced during the summer but would be by now.
- At Boasley Cross, new gates were still outstanding as the company had overstretched their commitments, but these should be done by end of September
- At Okehampton Primary, there was remedial work from a 5 year electrical check and work undertake to allow St James to move into Great Links Tor.

- Trustees noted the continuing concern with Tavistock's fire alarm which would become an issue. The result of the appeal against the grant was unsuccessful.

#### Trustees asked if that could be resubmitted

SK responded no, it was only opportunity and the MAT had to wait of the Schools Condition Allowance to kick in which was an annual amount. This remains therefore a high risk.

#### Trustees asked when the money would be received

SK responded it would be towards the end of July next year

- Trustees agreed that quotes should be obtained so that a contract for a replacement could be issued as soon funding becomes available.

#### Trustees asked if there was an emergency fire alarm in place

It was clarified that the alarm system was still working, but the intruder alarm goes off regularly, so there was a number of callouts. The issue was more about not being able to obtain spare parts if the system went wrong again.

- Trustees recognised the need for deciding how to divide up the schools condition allowance and that a transparent and fair process needs to be defined and issued. A list of everything that needs doing in terms of safety first should be produced, so the terms 'must, intend and like' could be applied against each. Schools would still get their devolved capital formula. SK, Joe Wood and Alan King would work on that document. **SW to agenda the process for agreeing the division of the condition allowance for Full Trustees**

#### 9.2 VAT Audit report

- Trustees noted the report was provided by the employer compliance section and had received this in advance of this meeting.
- Trustees noted there were no significant concerns and they would not be audited again unless there was concern from VAT returns.

#### Trustees asked if there was any concerns they should be aware of

SK responded that Trustees / Governor expenses had to be paid through payroll.

- Trustees noted that APL which offered employee wellbeing services also a helpline which gives financial and legal advice, this would be classed as a benefit in kind, but not if directed to a third party. APL do in fact signpost you to a different company.

#### 9.3 End of financial year

- Trustees noted the Finance team were working through the process and there were significant issues resulting in a current two week delay.

#### Trustees asked what the issues were

SK responded there was a cluster of schools which were not meeting deadlines. The Dartmoor Federation had not processed what they needed to so the central team were sort this. SK was also dealing with the close down at Highampton. External audit are in on 15 October and there was a lot to be done prior to then.

**Trustees asked if the issues were expected**

SK responded no, deadlines had been set but this issue didn't come to light until last Wednesday. SK added she had spent today sorting paperwork and then she would be clearer on what was needed. Input to PSFinancials was need and invoices needed to be chased. Resources were being pulled in from other schools to address this issue.

- Trustees acknowledged that LGBs couldn't address the plan for resolving their budgets as they don't know the current situation with their budgets. SK added that until everything was up to date, new orders couldn't go into the new year. Order books were due to open on 17:09:18 and at this point the end position from last year is unknown.

**Trustees asked if this was the case for all schools**

SK responded yes

**Trustees asked if SK required temporary staff to assist**

SK responded she would know by the end of tomorrow. Trustees agreed that temporary staff could be used if needed – decision was delegated to DC.

**9.4 Non purchase order number report**

- Trustees noted that most schools were now moving in the right direction. South Tawton and North Tawton were not improving and the reasons for those were (North Tawton) a change of individual processing the orders, however they had now had training and (South Tawton) an upcoming change of staff.

**Action:**

**SW to agenda the process for agreeing the division of the condition allowance for Full Trustees**

**10 - GDPR**

- Trustees requested for Nuala McDermott to produce data on subject access requested advising the number received and the outcome for each meeting.

**Action:**

**SW to advise NM of requirements for subject access requests**

**11 – Policies / Documents to be agreed**

**11.1 Pay Policy – CEO Pay**

- Trustees noted the draft Pay Policy was still awaited.
- Trustees agreed to have a separate CEO Pay Policy. **DC to source information about pay policies**

*HF left 5.50pm*

**11.2 Business Continuity Plan**

- Trustees were advised that this had not progressed. SK to speak to AK for an update.

11.3 Oversight of policies / review / implementation

- There was no items to be discussed

**Action:**

**DC to source information about pay policies**

**SK to speak to AK regarding an update on the Business Continuity Plan**

**12 – Risk**

12.1 Update on risk register / review risk register

- No risk register was tabled. When last discussed Trustees were advised that the risk register would be on a spreadsheet type document. However IC had received a presentation from CalCRisk over the summer and strongly recommended that this was a better solution. SK advised she could see the benefit of CalCRisk from a Trustee point of view but the level of detail at school level was not quite what was needed. IC added the reservation is the work needed to get it set up and he was conscious of bringing more work in.
- **SW to agenda for Full Trustees for final decision**
- Trustees are concerned that this matter has not been resolved and acknowledged the imperative need to be aware of all risks in all schools. The matter needed to be progressed now. Trustees discussed introducing the software on cluster at a time if they did proceed.

Trustees asked if a risk any form register was available now

SK responded a basic one that the COO had put together but it was not relatable to schools premises..

12.2 Risk register process explained to Headteachers

- This was complete

**Action:**

**SW to agenda CalCRisk for Full Trustees for final decision**

**13 – Websites**

13.1 Schools pointing to MAT websites

- Trustees were updated that 7 schools had now completed this and Nuala McDermott was waiting for a further update.

13.2 Website Compliance

- Trustees received an update from Jackie Adams that this was a work in progress
- **SK to request Internal Audit to add this to their next cycle**

**Action:**

**SK to request Internal Audit to add website compliance to their next cycle**

**14 – KPIs – Service Providers**

- JL fed back to Trustees the outcome of discussions with SK that had previously been circulated to Trustees
- HR provision was discussed and the structure of this may be revisited.
- Trustees agreed the proposed KPIs with JL tasked to revisit this with SK throughout the year.

## 15 – Risks Identified / Forthcoming Changes

- Internal Audit –risks identified and acted upon
- Academic risk – Holsworthy / risk from structure
- Timetable for external audit given current work demands
- Risk register

**Action:** SK to add risks to the risk register

## 16 – Date of Next meeting

- Okehampton College – Tuesday 13 November – 4.00pm.

### Action Table from 11:09:2018

WHO	WHAT	WHEN
SW	To agenda Committee membership for Full Trustees	DONE
SK	Review the office organisation at Okehampton Primary	15:10:18
SK	Ensure that School Comms will be introduced at all schools	01:11:18
SK	Ensure that parents will be encourage to use School Comms whenever possible	15:10:18
SK	Introduce a method for process separation of cash will be introduced at all schools	01:11:18
SW	Agenda Thompson Jenner to attend the Audit Committee meeting on 26:02:19	DONE
SK	Send the audit overview to Chairs of LGBs	20:09:18
SW	Distribute the audit overview all Trustees with the minutes	DONE
SW	Agenda the process for agreeing the division of the condition allowance for Full Trustees	DONE
SW	Advise NM of requirements for subject access requests	DONE
DC	To source information about pay policies	30:09:18
SK	To speak to AK regarding an update on the Business Continuity Plan	30:09:18
SW	Agenda CalCRisk for Full Trustees for final decision	DONE
SK	Request Internal Audit to add website compliance to their next cycle	30:09:18
SK	Add risks to the risk register	30:09:18