



An Daras Trust
Igniting Curiosity Growing Capabilities

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14/03/2024

Minutes
Audit Committee Spring 2024
Wednesday 13th March 2024 at 9.30am at central office

1. Welcome and Apologies

Present: Graeme Barriball, Peter Hague, Steve Tavener, Ian Wilkinson, Jon Sharpe

In Attendance: Will Hermon (CEO), Emma Gilbert (CFO), Jo Callow (Ex-Officio), Toni Martin (Governance Officer)

2. Declarations of Interest/Pecuniary Interests relevant to this Agenda

None declared relevant to this agenda.

3. Confirm minutes of Audit Autumn Meeting (7th December 2022) and Matters Arising

- SEF Colour coded one page summary (WH). *This was produced for the committee, mostly green with a couple of ambers on budget control moving forward.*
- Add SEF to cyclical plan for Autumn and Spring Term (TM). *Will be added on the annual review next term.*
- Working group to discuss staffing and succession planning to be agreed at full Board (All). *Agreed and took place in January, notes provided for the Board, and some recommendations were ratified at the FRS committee (see confidential minutes). The committee discussed this briefly. **Do these decisions impact on finances?** WH explained the implications on the finances regarding leadership positions which is sustainable going forward.*

No actions from the confidential minutes. Committee agreed the minutes and the Chair signed a copy.

4. Confidential Matters

A pay matter was discussed and recorded at confidential minutes.

5. Duchy Trust

WH discussed elements of the due diligence for the Duchy Trust transfer into An Daras Trust. Requirement from DfE is that Duchy have to have premises insurance. Duchy have had to register the schools with RPA now for cover from 1st April, so the commercial insurance will then no longer exist. WH explained the insurances involved. Chancel repair insurance at Lewannick is covered. TUPE staff consultation complete. All processes in hand and no issues raised so far. All staffing matters covered and legal advice obtained where necessary. Other insurances such as motor vehicle insurance are all in place. Pensions liability was discussed briefly and nothing abnormal has been identified. **No hidden leases or financial matters that will likely be an issue?** None identified. WH noted the funds available from the local authority (circa £100K) for building work that we will inherit and have to manage. We need to be aware that building costs are rising and whether this will increase the bill in future and where will this additional funding come from.

Transfer documents are with the solicitors and the current transfer agreement has been approved by the solicitors and the DfE. The schedules need to be checked prior to 1st April. All set to go ahead on 1st April and all stakeholders on board with this including Duchy Trust, An Daras, RDD's office, DfE, solicitors and both Diocese.

6. Review Risks

a. MAT Risk Register

A full review will need to be done again when the Duchy schools have joined, after the 1st April. Boyton and Lewannick are definitely a potential Ofsted risk, as they require an overhaul of the curriculum, changes to the provision and development of staff to achieve a rating of good. Boyton is very small and might struggle with finding the capacity needed to make the required improvements internally without additional trust management support and will need assistance. Some additional work has already started such as phonics provision, attendance and behaviour at Boyton. **The committee challenged WH on the experience and capacity of the current staff to show improvement.** This was discussed at length including the support that will need to be given. WH noted the hub model that will put a Duchy school with a partner An Daras school to help build this relationship and drive improvement. Likely that Boyton will be with NP&W, and Lewannick with SSCA but this will all be confirmed as the transfer progresses.

b. DPA & GDPR Compliance

All compliant and no breaches reported. Personal data reviewed, effective process in place to respond to suspected data breaches, all staff received appropriate training, resources in place to ensure GDPR compliance and relevant policies in place.

7. MAT Improvement Plan

Main issue with improvement plan is the fidelity of finances, which work is in hand to address. Further update at full board meeting.

8. Finance & Strategy

a. Latest Management Accounts

EG discussed with the committee the latest management accounts. The issue of staff budget variances were discussed including missing employees, how the process is done, human error (such as recording wrong grades or amount of time staff work), no scope for 'wiggle room' on the costs as funding is so tight, and no ability to set a deficit budget despite all costs going up without the appropriate funding from the government. **So it isn't the same problem as last time such as Heads allocating overtime without pre-authorising it?** No, that has been addressed, it is our ability to budget the staff versus actual expenditure that needs to be addressed. **Some of the original pay rises were unfunded and now funding has been received – can you not do a virement to adjust the budget to take account of this, and see how this changes the picture?** Yes, this can be looked at but ultimately if we are not doing the budget on the correct staff and pay grades then it will not be accurate. Variance of around £150K can be covered by reserves (set at 5% circa £450-500K). WH noted that he met with a senior staff member at the ESFA who said our trust is in a relatively strong position compared to some and that our concerns are not unusual considering the pressures on the budget. WH noted that as a trust we also do a lot of things that other trusts do not such as IT, premises management and SENDCO support to ensure the best for our children. **There were a number of challenges on how the accounts were laid out.** We cannot set a deficit budget but what we put forward isn't always realistic and deliverable. **We have to submit a balanced budget – clearly the income doesn't match the required expenditure – so we will have to cut back elsewhere to make it work?** This was agreed. The transfer costs, which would have been around £60K, ceased to be funded from Sep

2023 so this will result in additional expenditure for the transfer. TCAF funding has been applied for but there is no guarantee it will be received. **We need to do a deep dive, like we did with pre-school, to see what the issues are? Then we need to look at what can be stripped out in order to set a realistic budget.** This was agreed.

Ofsted reports evidence that we are delivering but this comes at a cost and it was agreed that staffing has to be prioritised over everything else. The infrastructure that sits behind what teachers do can be looked at. Succession planning for trust leadership in future may enable some savings. Other areas being looked at are absence cover and premises management. Managing finances has always been difficult and will continue to be so. **The focus for the FRS next term must be the accuracy of the budget.**

b. Debt Report

Nothing significant to report.

c. School Resource Self Assessment Tool

The benchmarking report was discussed and the trust is coming out at low to medium risk; not being wasteful with funds. The checklist was discussed and agreed.

EG discussed the cash flow figures. The committee questioned the CIF and what is yet to be used & received. The transfer cash income will be recorded separately if and when it is received.

d. Figure for Absence Cover Fund

EG noted that insurance including Duchy would be circa £100K. We are paying out significantly more than we are getting back, so over a number of years, we are worse off paying for insurance. **The committee agreed that £50K, plus a suitable figure to cover what Duchy allocate to this, should be set aside to cover absence rather than pay out for absence insurance.**

e. Going Concern

Despite the current budget variances, the committee were happy that funds have been appropriately spent given the recent numerous Ofsted successes and the well-developed curriculum, and that the trust still holds a reserve and that going forward the Trust remains a going concern.

f. Conflict of Interest

The committee was content that sufficient measures are in place to manage conflicts of interest and are compliant with the Academies Handbook.

9. Internal Audit

Internal audit taking place currently (13 and 14 March 2024) looking at reporting and budgeting. While the report might not be produced by the full Board, **a verbal update will be provided to the full Board on 20 March 2024.**

10. External Audit

All previous observations have been addressed and noted for any future actions required. On the discussion of leases, it was noted that IT equipment at Duchy schools for curriculum use has been virtually non-existent and needs to be addressed.

11. Governance Review

Governance Review for the forthcoming year will be focussed on the Duchy schools and the integration of these schools into An Daras Trust along with suitable governance arrangements. AN external governance review will be booked and is a requirement as part of the transfer.

12. Policy Review

- Pecuniary Interests (TM) – approved.
- Critical Incident (WH) – approved.
- On-line Safety (CP) - **Carry forward to full Board**
- Freedom of Information and Publication Scheme (SC) – approved.
- Write Off/Disposal (MB) – approved.

13. AOB

A brief staff absence item was raised and discussed; the discussion and decision was recorded at the confidential minutes.

14. DONM

Next meeting is scheduled for Wednesday 26th June 2024 at 9.30 at the central office.

Meeting closed 11.10am.

TJH Martin
Governance Officer

Distribution List:

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| W. Hermon – CEO / Director | I. Wilkinson – Director |
| G. Barriball (Committee Chair) | J. Sharpe - Director |
| P. Hague – Director (Committee Vice Chair) | E. Gilbert – CFO |
| S. Tavener – Director | J. Callow – Ex Officio Observer |