



An Daras Trust
Igniting Curiosity Growing Capabilities

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CEO: W. T. Hermon

05/07/2023

Minutes
Audit Committee Summer 2023
Wednesday 5th July 2023 at 9.30am at central office

1. Welcome and Apologies

Present: Peter Hague (Vice), Jon Sharpe, Steve Tavener

Apologies: Graeme Barriball, Ian Wilkinson

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

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

None declared. A potential interest was noted and recorded in the confidential minutes because it is in regard to a current confidential matter.

3. Confirm minutes of Audit Autumn Meeting (15th March 2023) and Matters Arising

- Energy contract decision to full Board. *Complete at full Board.*
- Governance support contract to full Board. *Complete at full Board.*
- Allocate funds to mitigate risk to full Board for decision. *Reserves policy reviewed by FRS and now has figure of 5% and will go to full Board for approval. Financial Scheme of Delegation amended to allow for increased costs and agreed by FRS to go to full Board for approval. Suggestion at FRS for funds to be ring fenced for critical incident risk – see item 5.*

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

4. Confidential Matters

Trust expansion matters were discussed and recorded at confidential minutes.

5. MAT Risk Register

Risk register was reviewed thoroughly at the previous audit committee. WH noted that with many Ofsted inspections now complete, a few of the risks could probably be reduced. However, some of the financial risks need to be reviewed because there has been an overspend this year, mainly due to external pressures such as unfunded pay rises. The risks involved in the potential expansion will need to be included in a future review.

The committee discussed the risk of a critical incident and the need to allocate funding should this happen. **It was noted that the CEO's limit of £10K would unlikely be enough and so it was agreed that £30K should be ring fenced against the risk of a critical incident, and furthermore the CEO can spend this funding without further requirement for decisions from the board.**

WH noted the updated SEFs for SC, PT and SSCA. The SEF for SSCA is being reviewed to ensure it is accurate against the actual provision. There are elements of the school's provision that are outstanding but the grade is more likely to be a solid good.

WH noted draft 5 year strategic plan which will be discussed at the full Board under the CEO's report to the Board.

6. **MAT Improvement Plan**

WH updated the committee on sections of the MAT Improvement plan including school standards and local governance improvement which have made positive progress. The cyber security work has progressed; there is just the asset management plan to be completed.

GAG pooling has been reviewed in detail. It is recommended that we should continue operating as we are, the "operating" funds are allocated to schools, the reserves are pooled and then allocated on a priority system based on need across the trust whether that be educational, premises or other needs. In effect, a partial pooling which has worked well and having reviewed other options, there is no reason to change how this is currently managed. This is on the full Board agenda for final approval.

7. **Finance**

a. **Latest Management Accounts**

Latest management accounts from April were provided to the committee. WH noted a few overspends and noted that the internal auditor will likely flag up that supply costs are over budget but we are aware of this, understand that outside forces are affecting this and whatever measures available are being put in place to mitigate. Budget likely to be in deficit this year because of additional costs as a result of the state of the economy, unfunded pay rises and preparing schools to gain a good Ofsted grade, but hopefully next year will be more manageable and with possible expansion, additional resources will be available. Also there has been a large bill for staff CPD and training this year that has accounted for additional costs but this is seen as a good investment for the future. The committee agreed that all the expenditure has been needed, worthwhile and sensible, and at no point has it been wasteful.

Kitchen Equipment

The kitchen equipment is now aged with the cookers being circa 15 years old, and are used to cater for multiple schools. Getting parts for the older cookers is difficult and some sections of the cookers don't work. The cost of replacing the cookers – 2 at SSCA and 2 at SC – have been quoted for at around £40K for 4 cookers. Some of the additional sustainability energy grant received could be apportioned to this. The plan would be to replace the cookers over a period of time; at SC one in summer 2023 and one in Spring 2024, at SSCA they would be replaced after other works have been completed so the new cookers won't risk being damaged. Two like for like quotes were considered. Due to best value, Bartletts were selected.

b. **Debt Report**

Debt is minimal at £400 from Launceston Pre-School from a parent that has left without paying a bill. This has been chased repeatedly to no avail and the committee agreed to write off this debt.

c. **Going Concern**

Strategically and educationally the trust is a going concern. There are no safeguarding or personnel risks. Internal and external factors have affected the finances this year included unfunded pay rises, and while this can be explained, it cannot continue going forward and will need to be tightly controlled next year. Overall, the committee agreed that the Trust is still a

going concern. For next year, the pay dispute is still ongoing but a 3% rise has been costed against no additional funding. The projected increased GAG funding has been taken into account into the budget. There was discussion regarding the future of An Daras pre-schools to make them viable while offering a better service (ie extended hours) – this will be discussed at full Board.

8. Internal Audit

The internal audit report was made available to the committee. WH discussed the issue with leases; the auditors concern is that the cost of the lease would have bought the same amount of equipment but it would not have bought the support, upgrades, and other benefits included in the lease. The committee was not concerned by this as it is an operating lease. The other issues raised were briefly discussed including the appointment of parent governors, and the minor discrepancy re GB's interests which was rectified immediately. EG updated on the minor financial matters.

The committee agreed that this auditor is an improvement from last year and that Griffin should be used again, and made this recommendation to the full Board.

9. External Audit

No further updates on last year's observations from the external audit; all actions complete. Trustees annual report will be drafted and cleared to ST and one other director for checking.

The committee discussed the external auditor for 2024. It is considered that Francis Clark work well with the trust and it would be useful to keep the same auditor if the trust expansion goes ahead. If Francis Clark are used in 2024, it will be the 4th year they have been appointed and this falls within the acceptable window of 3-6 year window. There are also limited options for external auditors and many of them now only do virtual audits which is not considered beneficial.

10. Policy Review

- a. Anti-Fraud & Anti-Corruption (incorporating gifts and hospitality) (WH). Approved.
- b. Asset Control & Accounting (EG). Approved.
- c. Cyber Suite of policies to include (WH). No changes required. Approved.
 - IT acceptable use
 - IT asset disposal. **Do we have any discs or storage items, or is it all cloud based now?** There are some still using servers but it is steadily migrating to the cloud. Security is still a priority. **What is happening with the old discs and data storage items?** They are all being disposed of correctly to ensure data protection.
 - Access control
 - Password
 - Secure Configuration
 - Ransomware
 - Patch Management
 - Information Security
 - Firewalling

11. AOB

None.

12. DONM

Date of next meeting confirmed on 6th December 2023 at 9.30am at central office. This will include feedback from the external auditors.

Meeting closed at 11.45am

TJH Martin
Governance Officer

Distribution List:

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