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CEO: J. Callow

03/12/2025

Minutes
Audit Committee Autumn 2025
Wednesday 3rd December 2025 at 9.30am at central office

1. **Welcome and Apologies**
Present: Graeme Barriball, Steve Tavener, Jon Sharpe, Margaret Savage
Present for Auditor Presentation only: Gill Shipsides
Apologies: Peter Hague (away)
Not Present: Ian Wilkinson
In Attendance: Jo Callow (CEO), Emma Gilbert (CFO), Toni Martin (Governance Officer), Gemma Peacock (Governance Officer designate), Darren Perry (Francis Clark for item 3 only)

2. **Declarations of Interest/Pecuniary Interests relevant to this Agenda**
None declared.

3. **External Auditor Presentation**
Darren Perry, from Francis Clark, gave a brief presentation of the audited accounts and trustee report. A summary of the points raised are:
- Additional paragraph needed as now over 250 employees.
- DP discussed going concern. He noted that the final accounts are much tighter now than they were last time. Must keep a close eye on the accounts and managing potential deficits going forward. See item 11a for further discussion.
- The auditor's unqualified opinion shows that the audited accounts show a fair view of the trust's accounts. No issues in respect of regularity.
- Expenditure reflects the additional 3 schools that were part of Duchy Trust. He explained some of the figures in more detail as laid out in the statement of financial activities. He briefly discussed assets, debtors, creditors, cash in the bank and local government pension scheme figures. He also discussed the CIF expenditure.
- DP briefly discussed the main income streams and then the expenditures; the vast majority of the increase in expenditure is staff costs including supply cover and severance payments. He covered assets and depreciation, some more detailed figures including accruals and capital payments and grants. He briefly mentioned GAG pooling and noted that all the PPG/PE funding grants have been spent completely.
- DP briefly explained how the pension liabilities are calculated. It currently sits at a surplus due to a change in the assumptions.

DP also discussed the audit completion report:
- He explained in outline the audit completion report and any thresholds that they measure the audit against. Any audit has to look at the risk of fraud by looking at journal entries, income and

how it has been spent. There is an audit risk around going concern given the lower reserve levels. He discussed the risks in certain areas.

- DP noted a few minor internal controls that need addressing. Nothing of any significance.

The benchmarking figures are not based on a like for like comparison, so is it entirely accurate? It is based on a broad set of figures and it is not a requirement to be published in the audit report, so this will be removed.

GS left the meeting.

4. **Elect Committee Chair**
This will be done at full Board along with elections for Chair of full Board and all other committees.

5. **Confirm minutes of Audit Summer Meeting (25th June 2025) and Matters Arising**
   - Internal audit report (EG). *See item 12*.
   - AI use in Schools policy to be tidied up and taken to full Board for approval (AF). *Approved at full Board.*

   Actions from confidential minutes:
   - Reserves policy to full Board (EG). *Discussed at full Board and decision to reduce reserves to 2% given current financial situation.*
   - Refer decision to full Board to sell Pre-school subject to DfE permission (FRS). *Decision made at full Board to sell the pre-school building.*
   - PS Financials Decision re next 3 years to Audit (JC). *Audit agreed that PS Financials should be used for next 3 years but to be ratified by full Board. This was done at full Board on 9 July 2025.*

   Committee agreed minutes and confidential minutes, and the Chair signed a copy.

6. **Confidential Matters**
A staffing matter was discussed and recorded under confidential minutes.

7. **Trust SEF**
SEF has been updated. Two main risks are finance and data. **The SEF currently shows standards and data as green, are we sure this is accurate? In the summary it is different, so does this question the leadership and management's ability to assess ourselves?** JC confirmed that in terms of DfE standards we are meeting the standards but internally we would always like to do better. The shorter SEF is an internal document and is a harsher judgement that allows us to aspire for higher results. Adjustments will be made**. In terms of KS2 standards, we know you have put actions in the improvement plan but the predicted scores were incorrect and we need to understand why this is?** JC explained that it is a balance between predictions and aspiring for higher achievements.

8. **Risks**
   a. **Trust Risk Register**
   Trust risk register has been reviewed and cut down so it is a more succinct document. Committee agreed with the current risks and supported the reviewed version.

   b. **Oversight of Risks at each School**
   Included on the trust risk register and noted.

   c. **Cyber Security**
   The latest version of the Cyber Security Incident Response Plan was briefly discussed and the committee approved this version.

d. **Ofsted Risk Register**

JC noted the contradiction of the new Ofsted inspection plan that is supposed to focus on well-being of school leadership & staff but the actual inspection plan does not reflect this. The unions are now involved with the aim of protecting staff. **It is noted that the Head's are responsible for what happens in their school but it is very important that their well-being is looked after, and that we have another member of staff trained in what is involved in an Ofsted inspections**. It is also important that the staff are well prepared and confident to deal with inspectors. This was agreed and discussed in detail.

Two confidential matters were discussed and recorded under confidential minutes.

9. **MAT Improvement Plan**

The improvement plan has been updated. Nothing significant to discuss.

10. **Visible Learning**

Ongoing and evidence shown in the classroom and during inspections. Nothing further to discuss.

11. **Finance**

a. **Latest Management Accounts**

The figures were discussed and P2 currently sitting at a surplus. **The committee questioned some figures** and EG explained in detail. At present schools are on budget and a small year end surplus for the trust as a whole is likely. **The figure of depreciation was discussed, and this should be included as a footnote.** The management of the PPG expenditure is being looked at closely but needs to be spent in accordance with the rules. **The DfE grant seems to be larger that we were expecting, £150K more?** Includes the LA income for the NP and ARB projects. **Central is shown as £40K deficit, what is that please?** That is supply costs that need to be divided across the schools. **The Directors' notes summary for the P2 accounts were discussed in detail by school, and challenges raised on certain figures**. Following detailed discussion, the committee was satisfied with the explanation of the figures. **How do we ensure we have the required reserves?** We must retain the 2% figure stated in our policy.

A confidential staffing matter was recorded in confidential minutes.

b. **Debt Report**

Covered in the audit.

c. **Going Concern**

While it is noted that finances are extremely tight, the trust does remain a going concern as supported by the external auditors.

Actions from FRS Committee:

Accelerated reader quotes were discussed for one year, two years and three years at the FRS. Costs have increased but not currently in the budget for increased amount. It was noted the 3-year cost works out slightly less annually, than the annual cost quoted. Decision was to go back and negotiate, see if we can pay annually and not upfront, and for the increase on the budget, identify where this money will be taken from? Bring to Audit committee for decision. The investigations into this matter were highlighted, figures lower than expected and is within JC's expenditure allowance so no decision needed by this committee.

MIS system – options were discussed and have been assessed. Ideally, all schools would be on the same system. More investigation required and bring to Audit committee – what is currently in the budget, which option fits within that budget or not, which is the best option and what are the set up fees if changing companies. Options were considered and recorded at confidential minutes.

12. **Internal Audit**
    No significant issues raised in the report. One item raised re meal payment which has been explained. **Can we do some work to try and close some of the longer-term issues?** EG will do this with the finance team.

    The committee looked at the 3 options and quotes. It was decided to use Cornwall LA as internal auditor for the 2025-2026 academic year.

13. **Policy Review**
    a. Teachers Pay (EG/JC) – approved.
    b. Support Staff Pay (EG/JC) – approved. The 18-20 yr old rate is now £10.85 (8.5% increase).
    c. Data Protection/GDPR (SC) – approved.

14. **AOB**
    None.

15. **DONM**
    Date of next meeting will be Wednesday 4th March 2026 at central office.

Meeting closed at 11.42.

TJH Martin
Governance Officer

Distribution List:

J. Callow – Ex Officio/ CEO & Director G. Barriball (Committee Chair) P. Hague – Director (Committee Vice Chair) S. Tavener – Director	I. Wilkinson – Director J. Sharpe – Director M. Savage – Director E. Gilbert – CFO