



Minutes of the virtual meeting of the Audit and Risk Committee held on Tuesday 23 November 2021 at 5:30pm.

Present: Mrs Valerie Wilson (Chair)
Professor John Crewdson
Mr Mike Dudfield
Mrs Sally Kenyon

Also present: Mrs Fiona Graham (Clerk)
Mr Gavin Gomersall (Director of Operations)
Mr Andrew McKinnell (Chief Operating Officer and Chief Financial Officer)

Apologies: Apologies were received and accepted from Mr Chris Hopkinson. It was noted that Mrs Jane Watson was not present.

Valerie Wilson opened the meeting with a prayer.

ACTION

21.01 Election of Chair

Valerie Wilson was proposed and seconded as the chair of the committee until the autumn term 2022.

21.02 Review of Terms of Reference

Appendix A

Clerk

The terms of reference for the committee were reviewed and adopted subject to the following amendments;

Item 6 was removed from 'The Directors delegate to the Committee the specific following duties:'

'Ensure a copy of the external auditor's letter of engagement is submitted to DfE with the annual accounts and management letter.'

Item 7 was amended to include the word 'actions';

'Consider all relevant reports by the appointed external auditor, including reports on the Academy Trust's accounts, achievement of value for money and recommend **actions** to the Finance Committee/Board as appropriate to respond to findings.'

The Terms of Reference were amended to ensure a consistent use of the title **Chair** was in place throughout the entire document.

21.03 Declaration of Interest

There were no declarations of interest in relation to agenda items.

21.04 Minutes of the Last Meeting

The minutes of the previous meeting held on 24 June 2021, having been circulated, were approved and signed by the chair as a correct record.

21.05 Matters Arising

The following matters arising from the minutes were noted:

Risk Management (Minute 10.1 refers)

Sally Kenyon explained since the last meeting of the committee the Local Governing Body for Central Lancaster High School had been dissolved and an Academy Improvement Board had been created.

Trust Board

21.06 Health and Safety Compliance Update

Andrew McKinnell explained there were Health and Safety Compliance updates from each school. The update reports from the schools were dated from October 2021 and provided details on the actions. A snapshot summary graph sheet of the data for each school showed the varying response to the total compliance activities count. Mike Holden, Facilities Management and Compliance, had provided targeted support on compliance for Central Lancaster High School. The improvement in their compliance was evidence in the snapshot summary graph. The total compliance activities count for Morecambe Bay Academy had slipped and so Mike Holden would be providing targeted support two days a month to help rectify this.

**Andrew
McKinnell**

Going forward the Health and Safety Compliance updates from each school would move from termly to monthly. Overall the updates showed there were lots of activities in progress. **A director enquired** why Ripley St Thomas CoE Academy had so many compliance areas as against the other three schools which were largely similar. Andrew McKinnell explained that Ripley St Thomas CoE Academy had a swimming pool and a farm which required extra checks. These were the main differences. The core number of activities for all the schools were largely the same with the odd difference.

**Andrew
McKinnell**

21.07 Finance Compliance

a) Report to management letter

Andrew McKinnell referred to the Finance Compliance draft report that had been circulated prior to the meeting. Points in the draft report were correct at 15 November and it was noted the audit testing was not fully complete.

Trust Wide

The audit had shown that the trust credit cards limit was too low. This would be addressed when the Finance Policy was looked at in the new year.

A number of issues had been picked up for Central Lancaster High School from last year. The vast majority of issues had been actioned and lots of progress had been made at Central Lancaster High School.

Carnforth High School

A director queried why several bank accounts held with Barclays, were not included on the bank letter obtained directly from Barclays. Andrew McKinnell suggested there may have been a misunderstanding made by Barclays. The main issue was to reduce the number of accounts and to simplify this process by closing the Barclays accounts. The School Fund balances could be tracked through a single Lloyds School Fund account.

The director said that the bank accounts were historic and related to school trips organised to Iceland, Germany, Holland and Belgium. Prior to the Euro it was easier to hold different bank accounts for the different payments and it was easier to check separately. **The director continued** that it was possibly the same person managing the accounts on a voluntary basis and it worked efficiently.

Another director appreciated the situation on the bank accounts but highlighted the issue of unclaimed balances that needed to be returned to people after the trips. Also, on the reverse side any recurring deficits needed to be addressed and costings needed to be reviewed for future trips. Auditors would check reconciliations, and one account would be more visible. Several accounts could be open to higher risk when auditors came in 'cold'. It was recommended that the accounts were streamlined.

**Andrew
McKinnell**

b) Audit Opinion

Andrew McKinnell said that so far there was a good audit outcome. When the audit was completed, the final management letter would go to the Full Board meeting and Annual General Meeting on Tuesday 14 December 2021.

Sally Kenyon thanked Andrew McKinnell and the Central Team for all their hard work. She expressed her appreciation for all the work that had been done during the very difficult last year.

21.08 Risk Register

Andrew McKinnell referred to the Risk Register, Compliance Risk and Financial Risk spreadsheets that had been circulated prior to the meeting. The Register had been limited to three or four items in each area.

The risk areas were highlighted across all schools with amber in areas to improve. Andrew McKinnell pointed out that although some new staff, at Central Lancaster High School, had been in post for a year there were areas of legislation with which they would not be familiar. Unfortunately, GDPR issues would be an area of risk.

Also risk areas to look at were business continuity and cash flow particularly in the case of Central Lancaster High School which had a school deficit. Another area of risk to be aware of going forward was the LCC pension liability deficit which was a red risk. Employers' contribution rate would increase.

A director said that it was known that a pension increase had been applied for teachers and support staff contributions were under discussion.

Andrew McKinnell said that provision needed to be made in budget planning forecasts for any expected increases. The LCC pension contribution rate was reviewed every three years and the rate would continue to go up further.

21.09 GDPR Compliance Update

Gavin Gomersall referred directors to the GDPR report November 2021 which had been circulated prior to the meeting.

Awareness training for new colleagues was done as part of their induction, or very shortly thereafter. Reminders of training was achieved using an online course via SmartLog.

There had been one GDPR breach since the last meeting; a letter sent to the wrong address. This was below the threshold of reporting to the ICO.

Freedom of Information Act requests and Subject Access Requests had risen significantly. This was not something that was peculiar to the Trust but part of a national picture. A public health request about Covid vaccinations at Morecambe Bay Academy had been pushed back.

A director enquired about student and parent enquiries on teacher assessment grades. Gavin Gomersall replied that some had been pushed back because the request had to be made by the child, not their parents. Also, some data requests could not be fulfilled because the nature of the cohort or subject meant it was not possible to anonymise the data sufficiently that individual pupils could not be recognised.

John Crewdson thanked Gavin Gomersall for coping with the numerous enquiries and the way in which the enquiries had been handled so well.

21.10 Safeguarding Update; Checklists for all schools and Trust Safeguarding and Wellbeing dashboards

The wellbeing dashboard included statutory reporting for each of the four schools. At the directors' request percentages had been added. It was noted that there were a high number of accidents reported for pupils at Ripley St Thomas CoE Academy. Gavin Gomersall said that currently the school nurse position was being covered by another member of staff and this could have led to inconsistent reporting. It was acknowledged that Covid had had a significant impact on pupil attendance across all the schools. Sally Kenyon added that the national average for pupil attendance was 91%. Ripley St Thomas CoE Academy met the national average and the other three schools were slightly below the national average.

A director suggested it would be helpful for the national average for pupil attendance to be included in the report so that comparisons could be made. Gavin Gomersall agreed to this request.

**Gavin
Gomersall**

ACTION

A director queried the validity of the percentages shown. He agreed to discuss the compilation of the percentage figures with Gavin Gomersall at a mutually convenient time and date after the meeting.

**John
Crewdson
Gavin
Gomersall**

Sally Kenyon said that Carnforth High School had renewed their Behaviour Policy. This had re-established behaviour boundaries and clear sanctions on vaping and vaping paraphernalia had been beneficial towards establishing good behaviour.

A director queried the number of accidents and the correlation of the types of accidents. For example, the number of accidents at Morecambe Bay Academy was 336. It would be useful to know if the accidents were linked, such as a theme of football field accidents. If a link was identified steps could be taken by the Local Governing Body to ensure that specific details were addressed to reduce the number of sports field accidents.

Another director confirmed that the Local Governing Body for Ripley St Thomas CoE Academy carried out analysis on specific categories to check for links that could be identified to reduce accidents. **The director continued** that more specific data would be welcome. Gavin Gomersall agreed to make the next report more specific.

**Gavin
Gomersall**

21.11 Any Other Business

Andrew McKinnell said that the Internal Scrutiny had not been included in this agenda because of the full audit this term. Looking ahead to next term the remit for the Internal Scrutiny by Shard Financial Services Ltd would be set.

Based on the risks highlighted on the Risk Register the proposal was for Shard Financial Services Ltd to look at business continuity and how cash flow was dealt with in the schools.

A director mentioned it would be helpful to look into where schools had different bank accounts.

The committee members agreed to these proposals.

**spring term
agenda**

21.12 Confidentiality

The committee confirmed that all matters discussed at the meetings were confidential.

It was agreed that no discussions were deemed of a confidential nature and should be minuted as such.

21.13 Date and Time of Next Meeting

The next meetings of the Audit and Risk Committee would be held at 5:30pm on Wednesday 9 March and Thursday 9 June 2022.

The chair thanked everyone for their attendance and input. The meeting closed at 6:24pm with the Grace.



Terms of Reference for the Audit & Risk Committee

Responsibilities

The Bay Learning Trust is a charitable company limited by guarantee.

The Directors are responsible for the general control and management of the administration of the Company in accordance with the provisions set out in the Articles of the Company.

'Audit & Risk' shall be a Committee of the Directors established pursuant to articles 100 - 106 of the Articles of the Company.

Legal responsibility lies with the Company. It is governed by the Directors, who rely on advice and support from the committee, particularly in relation to the specific matters delegated under these Trust's Scheme of Delegation.

Subject to provisions of these Terms of Reference, the Companies Act 2006, the Articles and to any directions given by special resolution of the Directors, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company.

The Directors delegate to the Committee the specific following duties:

1. Oversee all the Trust's systems and operations, ensuring they are fit for purpose, effective and carried out in line with the Seven Principles of Public Life as set out by the Committee on Standards in Public Life.
2. Review the Academy Trust's internal and external financial statements and reports to ensure that they reflect best practice.
3. Oversee the Trust's risk register and review the risks to the internal financial control of the Academy Trust and establish a programme of work to address these risks, inform the statement of internal control and, so far as is possible provide assurance to external auditors.
4. Ensure that the Academy Trust's internal control systems meet, or exceeds, the standards specified in the Government Academies Financial Handbook and complies in all other respects with these guidelines and meets agreed levels of service.
5. Ensure the Academy Trust is independently audited by an approved registered auditor – both external auditor and internal audit.
6. Discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.
7. Consider all relevant reports by the appointed external auditor, including reports on the Academy Trust's accounts, achievement of value for money and recommend **actions** to the Finance Committee / Board as appropriate to respond to findings.
8. Review the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the Academy Trust are achieved in the most economic, effective and environmentally preferable manner.
9. Consider and advise the board on the Academy Trust's annual and long-term audit programme and agree an annual programme of internal scrutiny with the Trust's internal auditors for checking financial systems, controls, transactions, fraud issues and risks.
10. Consider internal audit reports, including value-for-money reports and the arrangements for their implementation.

11. Ensure H&S compliance across the Trust.
12. Review the operation of the Academy Trust's code of practice for board members and code of conduct for staff.
13. Consider any other matters where requested to do so by the board.
14. Report at least once a year to the board on the discharge of the above duties.

The Chair will be appointed by the Directors and the Vice-Chair shall be elected by the Committee.

Membership of the Committee will be reviewed on an annual basis and will consist of a minimum of 3 Directors.

A quorum shall consist of 3 Directors.

The Academy Trust shall appoint the Clerk to the committee. If the Clerk fails to attend, members of the committee may appoint one of their number to act as Clerk for the meeting.

The Clerk will ensure:

- a minimum of 7 clear days notice of a meeting is given in writing to each committee member along with the agenda
- the minutes and decisions of the committee are recorded and made available for inclusion in the agenda papers of the next meeting of the committee and the Trust Board meeting.

The Committee shall meet at least once every term or more frequently as required to carry out its functions. The Chair of the Committee shall have the power to call additional meetings.

The Committee is authorised to make decisions on behalf of the Academy Trust only in respect of those powers specifically delegated within the Terms of Reference or by resolution at a meeting of the Trust Board.

The Chair of the Committee will be responsible for giving an oral summary of the committee's deliberations if necessary at meetings of the whole Board.

The Committee is authorised to invite attendance at its meetings from persons to assist or advise on a particular matter or range of issues, including parents and members of staff who are not governors.

Any Director may attend meetings of committees.

In the event of a need to make genuinely urgent decisions between meetings on matters falling within the remit of the Committee, the Chair of the Committee, will take appropriate action on behalf of the Committee.

The decisions taken and the reasons for urgency will be explained fully at the next meeting of the Committee and Board.

Minutes and Publication

At every meeting of the Committee the minutes of the last meeting shall be taken as the first agenda item after any apologies, except in cases where the Committee Members present decide otherwise, and, if agreed to be accurate, shall be signed as a true record. At each meeting Directors will be asked to declare any additional interests.

The Clerk to the Committee shall ensure that a copy of the agenda for every meeting of the Committee, the draft minutes of every such meeting (if they have been approved by the Chair of that meeting), the signed minutes of every such meeting and any report, document or other paper considered at any such meeting are, as soon as is reasonably practicable, are made available to the Company Secretary.

Reviewed: December 2021.

