



Kirklees Directorate for Children and Adults

Company no: 07729878

THE BOARD OF DIRECTORS OF SHARE MULTI ACADEMY TRUST

Minutes of the Meeting of the Audit & Risk Assurance Committee held at 5.00pm at Shelley College on Tuesday 27 November 2018.

Present

Mr M Dunkley (Chair), Mr A Ahmed - part, Mrs M Campbell (via Skype), Mrs D Howard, Miss E Lewis, Mr J McNally, Mrs C Potterton, Mr V White

In Attendance

Mr D Butterworth (Auditor) - part
Mr A Kent (Observer)
Ms E Kilner (Minute Clerk)

Agenda Item	Discussion and Decisions	Action – who/by
182.	<p>Apologies, consent and declarations of LAAPs and interests</p> <ul style="list-style-type: none"> • Apologies were received from Mrs A Poppleton with consent. • The following declarations of interest were made: <ul style="list-style-type: none"> - The wife of Mr M Dunkley works at Shelley College. 	
183.	<p>Business of the Meeting</p> <p>There were no changes to the circulated agenda.</p>	
184.	<p>Matters for any urgent other business</p> <p>There were no matters of other business.</p>	
185.	<p>Minutes of the previous meeting held on 18 September 2018 and any matters arising from the minutes</p> <p>RESOLVED: That the minutes of the meeting held on 18 September 2018 be approved and signed as a correct record of the meeting subject to the changes below.</p>	

Agenda Item	Discussion and Decisions	Action – who/by
	<p style="text-align: center;"><u>Minute 168(c) Page 74 – last question</u></p> <p style="text-align: center;">‘Junior’ to be replaced with ‘Primary’.</p>	
<p>186.</p>	<p>Matters Arising</p> <p>(a) <u>Election of Chair and Vice Chair (minute 165 refers)</u></p> <p>Mrs A Poppleton to confirm that a letter of thanks has been sent to Ms S Strafford.</p> <p>(b) <u>Review of committee membership, TOR and work programme for the forthcoming year (minute 170 refers)</u></p> <p>Mrs C Potterton confirmed that voting would continue to be 1 vote per eligible person and that a weighted voting proposal was not required.</p> <p>Mrs C Potterton confirmed that the revised Terms of Reference had been circulated.</p> <p>Q. Could Non Executive Directors be referred to as NED’s to distinguish them from Executive Directors and avoid confusion? A. Agreed.</p> <p>Q. Should the Risk of Academic Performance Remaining High be considered by the Audit and Risk Committee? A. Yes it should due to the relationship to pupil numbers and income.</p> <p>It was agreed that Mr J McNally would prepare a brief report for the Audit and Risk Committee annually to summarise academic performance.</p> <p>RESOLVED: That the Audit and Risk Assurance Committee Terms of Reference 2018 – 19 be agreed and approved.</p> <p>RESOLVED: That the SHARE Audit and Risk Assurance Committee Work Programme 2018 -19 be agreed and approved.</p>	<p>AP</p> <p>JMcN</p>
	<p>Mrs A Poppleton to confirm that a process for the Chair of the Audit and Risk Assurance Committee to write to the Chair of the Board of Directors to highlight issues and request a response is</p>	<p>AP</p>

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	<p>now in place.</p> <p>(c) <u>Internal Audit Checks (Minute 171 refers)</u></p> <p>Mrs D Howard summarised the outstanding HR and Payroll Audit findings. All historic issues have now been resolved except the reconciliation differences on HMRC payments which are still being investigated. A meeting will be held with the Auditors.</p> <p>It was agreed the Mrs D Howard will provide an update on progress at the next committee meeting.</p> <p>Mrs C Potterton updated that residual audit items have been included in the Work Programme 2018 – 19.</p> <p>It was agreed that the next Audit and Risk Assurance Committee agenda should include consideration of Internal Audit frequency and topics given the recent growth of the trust.</p> <p>Q. What is the timetable for Internal Audit activity this year? A. This will be discussed at the next meeting of the Audit and Risk Assurance Committee.</p> <p>(d) <u>Effectiveness of the Audit and Risk Assurance Committee</u></p> <p>Mrs A Poppleton to confirm that a full effectiveness review is scheduled to take place at the Audit and Risk Assurance Committee scheduled for 20 June 2019.</p> <p>(e) <u>Annual Report</u></p> <p>Mrs A Poppleton to draft the Audit and Risk Assurance Committee annual report and send to Mr M Dunkley and Mr V White for review.</p> <p>Q. Is the Audit and Risk Assurance Committee annual report required for the AGM? A. No but it does need to be completed.</p>	<p></p> <p>DH</p> <p>CP</p> <p>AP</p> <p>AP</p>
187.	Feedback from the SHARE Directors Meeting.	
	<p>Mr J McNally updated the meeting.</p> <ul style="list-style-type: none"> Outcomes and results were shared at the meeting. It was confirmed that Cowlersley performance is a key concern and risk. 	

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	<ul style="list-style-type: none"> • It was confirmed that planned conversions were completed on 1 November 2018. <p>There is a remaining issue with Royds Hall Primary school and PFI contract relating to risks of commercial interests in the land.</p> <p>The committee members confirmed that the risk is very low but it was noted that the risk had been shared with the committee.</p> <ul style="list-style-type: none"> • A conference for governors is being held on Thursday 29 November to discuss proposals for the future role of Local Governing Bodies. • The CEO is preparing a paper for directors summarising the SHARE MAT Mission, Aims and Values. <p>Q. Will the Mission Aims and Values be adopted by all schools in the SHARE MAT?</p> <p>A. Yes, a copy can be circulated to the members of the committee.</p> <p>It was agreed that the CEO would circulate a copy of the Mission, Aims and Values to the committee members.</p>	<p>JMcN</p>
<p>188.</p>	<p>Annual Report</p> <p>The Share Multi Academy Trust Annual Report and Financial Statements Year ended 31 August 2018 had been circulated before the meeting.</p> <p>Mr D Butterworth updated the meeting.</p> <p>(a) <u>Reference and Administrative Details</u></p> <p>It was agreed that the resignation of Ms S Trafford should be included.</p> <p>(b) <u>Trustees Report</u></p> <p>It was agreed that in the final paragraph on page 2, wording should be amended to ‘will normally serve a term of 4 years’.</p> <p>It was agreed that a definition of Trustees should be included.</p>	<p>CP</p> <p>CP</p> <p>CP</p>
	<p>It was agreed that on Page 3 the box should be merged under Relevant Union Officials.</p> <p>It was agreed that a designated Training Trustee should be appointed</p>	<p>CP</p> <p>JMcN</p>

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	<p>at the next meeting of the Directors.</p> <p>Q. Do we also have designated Trustees for Safeguarding and parents?</p> <p>A. We have a designated Trustee for Safeguarding and parent representation is via Local Governing Bodies.</p> <p>It was agreed that on page 5, the key items in the School Improvement Plan should be included under Improvement Plan.</p> <p>It was agreed that on page 10 under Investment Policy, 'high-interest' should be replaced with 'interest'.</p> <p><i>Mr A Ahmed joined the meeting.</i></p> <p>(c) <u>Governance Statement</u></p> <p>It was agreed that on page 15 under Directors, M Dunkley should be added.</p> <p>(d) <u>Statement of Regularity, Propriety and Compliance</u></p> <p>It was noted that this is a clean report.</p> <p>(e) <u>Statement of Trustees Responsibilities</u></p> <p>It was noted that this is standard wording.</p> <p>(f) <u>Independent Auditors Report on the Financial Statements to the Board of Directors of SHARE Multi Academy Trust</u></p> <p>It was noted that the external audit report is clean and unqualified.</p> <p>(g) <u>Independent Reporting Accountant's Assurance Report on Regularity to SHARE Multi Academy Trust and the Education & Skills Funding Agency</u></p> <p>It was noted that there are no material items of non compliance and that this is a clean report.</p>	<p>CP/ JMcN</p> <p>CP</p> <p>CP</p>
	<p>(h) <u>Statement of Financial Activities for the Year ended 31 August 2018</u></p> <p>Mr D Butterworth highlighted the negative net movement of funds in the year of £134k vs a positive net movement of funds in the previous</p>	

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	<p>year of £205k.</p> <p>(i) <u>Balance Sheet as at 31 August 2018</u></p> <p>Mr D Butterworth highlighted Net Current Assets of £804k which is an indication of liquidity. This has reduced from £949k in the previous year.</p> <p>(j) <u>Statement of Cash Flows for the year ended 31 August 2018</u></p> <p>Mr D Butterworth highlighted Cash and cash equivalents at 31 August 2018 of £1,113k. The comparable figure last year was £1,720k.</p> <p>(k) <u>Notes to the Financial Statements for the year ended 31 August 2018</u></p> <p>Q. Will the growth of the trust impact on the view of going concern? A. The impact of new schools is built into the 2019 forecasts and budgets for the trust and therefore all impacts should be known.</p> <p>Q. Are Depreciation policies in line with expectation? A. Yes, these are standard.</p> <p>It was agreed that in note 9 on page 32 – Central Services, corrections would be made to trust charge percentages. A similar correction is required on page 28.</p> <p>It was agreed that an amendment should be made to note 19 on page 37 to replace ‘2017’ with ‘2018’.</p> <p>Mr D Butterworth confirmed that only minor audit adjustments had been made relating to pension scheme changes and stock valuation.</p> <p>Mr D Butterworth noted that the management report will be sent to Mrs C Potterton for responses. The key points in the management report were summarised and relate to:</p> <ul style="list-style-type: none"> - Documentation of living wage salary changes - All bank accounts being at Lloyds and the related risk. 	<p>CP</p> <p>CP</p>
	<p>Mr D Butterworth summarised the timeline with the AGM on 4th December 2018 and accounts being filed by end December 2018.</p> <p>Q. With the growth of the trust, do the external auditors have the</p>	

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	<p>capacity to continue? A. Yes as we are also growing but increase in interim audit work may help everyone.</p> <p>Q. Has the audit gone well this year? A. Yes it went very smoothly with less time for the auditors on site.</p> <p>Q. Has the trust done Key Person risk assessment? A. This needs to be considered.</p> <p>The committee noted that they are very pleased with the clean audit report and thanked everyone in the team.</p>	
189.	<p>External Audit</p> <p>The External Audit was discussed under the agenda item above.</p> <p><i>Mr D Butterworth left the meeting</i></p>	
190.	<p>Gender Pay Gap Report</p> <p>Gender Pay Reporting 27 November 2018 had been circulated before the meeting.</p> <p>Mrs D Howard summarised the report. Sections include:</p> <ul style="list-style-type: none"> • What do our figures tell us? • What we already do to reduce the gender pay gap and improve gender equality. • Our proposed actions. 	
191.	<p>Disclosure and Barring Service</p> <p>Mrs D Howard updated the meeting.</p> <ul style="list-style-type: none"> • There will be a rolling plan to ensure that no DBS in the SHARE MAT is older than 5 years. This is not an Ofsted requirement but it is best practice. • Plans are in place to complete all outstanding DBS checks but there is a cost of £60 per check. Checks will be prioritised based on age and role. 	

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	<ul style="list-style-type: none"> • Currently the outstanding DBS checks to ensure all are under 5 years old are; <ul style="list-style-type: none"> - Cowlersley - 5 outstanding - Royds Hall - all schools - 96 outstanding - Thornhill - 0 outstanding - Shelley - 45 outstanding <p>It was noted that employees do have a responsibility to inform the school of any changes in circumstance.</p>	
<p>192.</p>	<p>GDPR</p> <p>GDPR Update September 2018 had been circulated before the meeting.</p> <p>Mrs D Howard summarised the report and confirmed that the DPO is in place and actions plans for all schools are also in place.</p> <p>The GDPR Update September 2018 summarised actions for all schools and the RAG status at September 2018. A visit to all schools will take place before the end of term and the RAG status will be updated. The updated report will be shared again at the next meeting of the committee.</p> <p>The Subject Access Request form has now been standardised across all schools.</p> <p>Mrs D Howard has applied to the ICO to have a single registration for the SHARE MAT rather than individual registrations for all schools.</p> <p>Q. Do you have a timescale for all actions to be green at all schools. A. The deadline for all actions is the end of the academic year but some actions are more urgent and have earlier deadlines.</p>	
<p>193.</p>	<p>Review of Key Risks</p>	
	<p>Mrs D Howard noted that ongoing the Risk Review including key risks at all schools and the SHARE MAT would be presented to each meeting of the Audit and Risk Assurance committee.</p>	

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	<p>Q. Are we confident that risk is measured consistently across all schools? A. Consistency will be reviewed when compiling risk reporting and the Audit and Risk Assurance Committee should also review.</p> <p>Mr J McNally updated that the headline risk is the deficit in the Royds Hall budget. Restructure activities are ongoing.</p> <p>Q. What is the current budget deficit? A. Circa £0.5m</p>	
194.	<p>Correspondence None.</p>	
195.	<p>Any Other Urgent Business There were no items of any other business.</p>	
196.	<p>Dates of meetings for the 2018 – 2019 academic year The next meetings of the Audit and Risk Committee are scheduled for:</p> <ul style="list-style-type: none"> • Thursday 21 March 2019 at 5.00pm • Thursday 20 June 2019 at 5.00pm <p>It was agreed that location should be added to the SHARE MAT meeting schedule.</p>	<p>Governor Clerking Service</p>
197.	<p>Agenda, minutes and related papers – school copy</p> <p>RESOLVED: That no part of these minutes, agenda or related papers be excluded from the copy to be made available at the School, in accordance with the Freedom of Information Act.</p>	

The Chair closed the meeting at 6.50pm.



21/3/19.

