

**SHARE MAT TRUST COPY
THE AUDIT AND RISK COMMITTEE OF SHARE MULTI ACADEMY TRUST**

Minutes of the Meeting of the Audit and Risk Assurance Committee of SHARE Multi Academy Trust held at 4:00pm at Shelley College on Thursday 30th November 2017.

PRESENT

Mrs A Poppleton (Chair), Mr M Dunkley, Ms S Strafford, Mr J McNally, Mrs C Potterton

IN ATTENDANCE

Mrs Helen Tones (Minute Clerk)
Mr D Butterworth, Wheawill & Sudworth Limited

Meeting commenced at 4:03pm

121. APOLOGIES

None submitted.

122. BUSINESS OF MEETING

The business of the meeting was agreed to be that of the agenda circulated beforehand.

123. REGISTER OF BUSINESS INTERESTS

- (a) Mr M Dunkley registered that a related party, Ms B Stapleton, worked at Shelley College.
- (b) Lettings Policy – Mr M Dunkley advised that Ms B Stapleton was referred to in the Lettings policy.

124. MINUTES OF PREVIOUS MEETING HELD ON 3RD OCTOBER 2017

The minutes of the meeting held on 3rd October 2017 had been circulated beforehand.

RESOLVED: That the minutes of the meeting held on 3rd October 2017 were an accurate record of the meeting subject to the following amendment:

**Ms S Stafford should read Ms S Strafford.
(Unanimous)**

125. MATTERS ARISING FROM THE PREVIOUS MEETING HELD ON 3RD OCTOBER 2017

- (a) Appointment of committee (minute 105 refers)
It was noted that the Audit & Risk Assurance committee members had not been ratified at the Directors meeting held on 7th November 2017.

ACTION: Ratification of Audit & Risk Assurance committee members to be taken as an AOB item at the SHARE MAT AGM to be held on 5th December 2017.

- (b) Audit & Risk Assurance committee members (minute 109 refers)
A notice had been put into the school bulletin. One person had expressed an interest but had not responded to the Chair when she had contacted them.

ACTION: Ms A Poppleton to contact the interested person again.

- (c) Terms of Reference (minute 112 refers)
Mrs Potterton had made the requested changes and had circulated the TOR to the committee electronically.
- (d) 2017-18 Work Program (minute 113 refers)
The committee's work program had been communicated to the committee.

Q: Had the Chair received any feedback from Directors?

A: No.

Mr D Butterworth joined the meeting.

126. REVIEW THE SHARE MAT ANNUAL REPORTS AND FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2017

Mr D Butterworth advised that the accounting format was unchanged from last year. The committee reviewed the Annual Report and Financial Statements page by page.

Q: Are there no additional financial reporting requirements this year?

A: No.

Comments and amendments identified to be applied to the papers were as follows:

ACTIONS: Mrs C Potterton to:

- (i) Update 'Audit committee' and 'Risk committee' references to be 'Audit & Risk Assurance committee'.
 - (ii) Page 1 – add Audit & Risk Assurance committee membership.
 - (iii) Page 3 - add '£' for Arrangements for settling pay and remuneration of key personnel.
 - (iv) Page 12 – amend date in paragraph on self-audit 'to be implemented before January 2018'.
- (a) Page 6 – Mrs C Potterton circulated in the meeting an addendum relating to Millbridge data that had been amended since the draft reports had been circulated. The Chair commented that she liked that each school had their own section to show their independence.
- (b) Pensions – March 2016 actuarial valuation was used as the base for pensions. There had been a positive swing back to the level of deficit position of 2 years ago.
- (c) Page 10 – Free Reserves requires clarity of what this means.

Q: How does not holding any free reserves affect carry forward?

A: The trust was working from ESFA guidance wording. Free Reserves are unrestricted funds held by trusts.

ACTION: Mrs C Potterton to amend free reserves wording.

Q: Chair to Ms S Strafford and Mr M Dunkley: Are you happy at how activity of this committee is reflected in accounts?

A: Yes.

ACTION: Mrs C Potterton to check wording of second paragraph on page 15.

(d) Page 17 - Independent Auditor's Report on the Financial Statement. Mr D Butterworth reported a clean audit report.

Q: Any concerns from schools on how finances are done?

A: None.

(e) Page 22:

- i. In 2016-17 total income was £12.3m vs £16.2m in 2015-16. This was mostly due to Cowlersley joining the trust on 1 February 2016 and the capital value transferred from the local authority, and reduced capital grants received in the year.
- ii. As some capital work had not yet started, the associated income had been deferred to next year (2017-18).
- iii. Net income was £1.74m (deficit) for 2016-17.
- iv. The 2016-17 carry forward was reported as £22.6m.

(f) Page 25 – it was noted that the trust being deemed as a going concern is as of the date the accounts are approved.

(g) The depreciation policy was unchanged from the previous year and was reasonable.

(h) The trust had two pension schemes: teachers defined benefit scheme that did not provide a detailed breakdown and the West Yorkshire pension scheme (also a defined benefit scheme) that does provide a detailed breakdown.

(i) Capital grants relate to income received in the year, where expenditure corresponds to income.

Q: Was this mainly through the ESFA?

A: Yes.

ACTION: Mrs C Potterton to add on Page 29 in section 2, Donations and capital grants '£' to 798,000.

(j) It was noted that a reduction in catering income is due to the contract being outsourced during 2016-17.

(k) Changes in costs were attributable to full year costs for Cowlersley Primary School (part year in 2015-16 year of conversion) and Shelley College and Millbridge spend on planned capital improvements.

Q: Were these direct costs?

A: Yes.

Q: Is increase in supply costs due to pay rises or other costs?

A: Costs included long term absences at Millbridge and extra employee contribution costs arising from the increase in costs of employer NI and pensions.

ACTION: Mrs C Potterton to amend Higher paid staff to £120,001 - £130,000 from £130,001 - £140,000 due to calculation on gross pay costs which should exclude NI.

- (l) Mrs C Potterton reported that the trust was now required to put gender pay gap reporting on the trust website.

Q: Is there a gender pay gap?

A: A review is being undertaken by Ms R Walker.

- (m) It was noted that the top slice changed from 4.2% in 2015-16 to 5.5% in 2016-17.
- (n) Travel expenses (page 33) paid to trustees to be added.

ACTION: Mrs C Potterton to add travel expenses to paragraph 5.

- (o) Remuneration of staff above £55k needed to go to Directors for approval. It was noted that the Remuneration committee had not met for 2 years.

ACTION: Remuneration committee to be an agenda item for next committee meeting.

- (p) Page 34 – CIF. £200k had been carried forward for roofing works at Cowlersley.
- (q) Page 41 – Pensions. Mr D Butterworth advised that new assumptions had been used.
- (r) Mr D Butterworth reported that there had been no major audit adjustments.
- (s) The Management report on internal systems and control had identified an error in the AON pensions report. There was a £30k difference which equated to one month. The trust was awaiting feedback from AON and had produced a revised report. The pension deficit had increased by £23k.
- (t) Wheawill and Sudworth had undertaken one internal audit assignment by a separate audit team on fixed assets. Nothing material resulted.
- (u) Mr D Butterworth advised that Ms R Walker had asked Wheawill & Sudworth to assist on a GDPR audit.

Q: Does the trust have sharing data agreements with other agencies?

A: This was a legal requirement in some areas such as safeguarding.

Q: Has GDPR been identified on the trust's risk log?

A: Ms R Walker was tasked with ensuring that the trust met GDPR requirements.

The Chair requested that GDPR be logged on the SHARE MAT risk registers.

ACTION: GDPR to be an agenda item at the next committee meeting.

Mrs C Potterton was congratulated on achieving a clean audit.

RESOLVED: That the committee recommend to the Members and Directors to ratify the SHARE MAT Annual Reports and Financial Statement year ended 31 August 2017, subject to the amendments identified. (Unanimous)

The Chair thanked Mr D Butterworth for the work undertaken.

Mr D Butterworth left the meeting.

127. FEEDBACK FROM SHARE MAT DIRECTORS MEETING

The Chair gave a verbal report. She reported that no feedback was given about the work of the Audit and Risk Assurance committee at the Directors meeting either on 7th November 2017 or since.

The CEO gave a verbal update on proposed governance changes to trust. The proposals were being presented to the Members at the AGM on 5th December 2017. It was proposed that Directors were to separate and be independent from Governing Bodies. It was proposed that the Directors meet twice a term. Initially directors may undertake two training sessions. The first session would cover what a director is and second meeting would cover strategy.

The Audit & Risk Assurance committee were in agreement with the proposal to separate Directors from Governors.

ACTION: The Minute Clerk to send the SHARE MAT AGM agenda and proposals to Mrs A Poppleton and Ms S Strafford.

Q: Can Governors refer to the Audit & Risk Assurance committee any issues?

A: Yes.

128. POLICY APPROVALS

a. Lettings Policy

The lettings policy had been circulated beforehand. Mrs C Potterton reported that Shelley College was the only school in trust that needed to have a lettings policy.

ACTION: SHARE MAT Lettings policy to be an agenda item at the next committee meeting.

129. CORRESPONDENCE

None reported.

130. ANY OTHER URGENT BUSINESS

The CEO reported that Ms J Newson had asked twelve trust contacts to participate in a free health check being undertaken by Deloitte. At least one member of the committee had been approached.

131. DATE OF NEXT MEETING AND AGENDA ITEMS

RESOLVED: That the next meeting of the Audit Committee was to be held at Shelley College on:

Wednesday 28th February 2018 at 4.00pm

Agenda Items to include:

- i. Remuneration committee**
- ii. GDPR**
- iii. SHARE MAT Lettings policy**

132. AGENDA, MINUTES AND RELATED PAPERS – SCHOOL COPY

RESOLVED: That no minutes or related papers be excluded from the copy to be made available at the School, in accordance with the Freedom of Information Act.

Dates of future meetings

Tuesday 12th June 2018 at 4.30pm

Future Agenda Items

Meeting closed at 5.27pm

ADELE POPPLETON Adele K. Poppleton 17.04.2018
Name Signature Date