



Company no: 07729878

THE BOARD OF DIRECTORS OF SHARE MULTI ACADEMY TRUST

Minutes of the meeting of the Audit & Risk Assurance (A&RA) Committee held at 6.00pm via Microsoft Teams on Monday 27 June 2022.

Present

Mr M Dunkley (Chair), Mrs D Howard (Director of Operations), Mr J McNally (Chief Executive Officer), Mr P Marshall, Mrs M Campbell, Ms K Wallett

In Attendance

Ms E Kilner (Minute Clerk)

Agenda Item	Discussion and Decisions	Action who/by
353.	<p>Apologies, consent and declarations of LAAPs and interests</p> <p>Apologies were received from Mr V White and Mrs C Potterton (both with consent).</p> <p>There were no declarations of interest.</p>	
354.	<p>Matters for any other urgent business</p> <p>There were no items of Any Other Business for discussion.</p>	
355.	<p>Minutes of the previous meeting held on 3 March 2022</p> <p>RESOLVED: That the minutes of the meeting held on 3 March 2022 be approved and can be signed by the Chair as correct record of the meeting.</p> <p>The following matters arising were noted:</p> <p>(a) <u>Teaching School Hub Budget (Minute 344 (a) refers)</u></p> <p>Mrs M Campbell has visited Shelley College to review the Teaching School Hub (TSH) budget with the Finance Manager and Director of the Teaching School Hub. A report has been produced.</p> <p>ACTION: The TSH Report from Mrs M Campbell should be circulated to the A&RAC Members and to the Directors</p>	<p>Chair</p>

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	<p>before the next Board meeting on Thursday 30 June 2021.</p> <p>Q. Should the TSH Budget be included as part of the SHARE MAT Draft Budget?</p> <p>A. The TSH accounts and budget are required to be separate by the DfE but this can be clarified.</p> <p>ACTION: The CEO to clarify the requirement for the TSH Budget to be separate from the SHARE MAT budget with the DoF.</p> <p>(b) <u>Agree the Audit and Risk Assurance Committee’s annual report to the Board and Accounting Officer (Minute 344 (b) refers)</u></p> <p>Training options have been circulated.</p> <p>(c) <u>Cyber Security Review (Minute 344(d) refers)</u></p> <p>A Cyber Security review by the Director with Specific Responsibility for ICT has taken place and a report has been circulated. The report concluded that good procedures are in place.</p> <p>(d) <u>Review Health & Safety and Fire Risk Audits and risk assessment process (Minute 345 refers)</u></p> <p>Mr A Kent has completed a Health and Safety review and a report has been circulated with some recommendations.</p> <p>Q. Is there a Health and Safety Schedule of actions?</p> <p>A. This can be checked with Mr A Kent as it is not clear which schedule the recommendation refers to.</p> <p>ACTION: The DoO to clarify recommendations with Mr A Kent.</p> <p>When we have a Health and Safety External Audit recommendation, an action plan is created immediately including responsibilities and timescales.</p> <p>It was confirmed that there is no outstanding training for high risk roles. Training for new appointments is always undertaken.</p> <p>(e) <u>Review progress made to address key risks facing the Trust and recommend actions for next year (Minute 346 refers)</u></p> <p>ACTION: An Internal Audit for GDPR and Data Protection has been arranged for 27 to 28 September 2022 and the report will be presented at the A&RAC meeting scheduled for 24 November 2022.</p>	<p>CEO</p> <p>DoO</p> <p>DoO</p>

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	<p>(f) <u>Review Trust Financial Policies (Minute 349 refers)</u></p> <p>The CEO has reviewed the Trust Financial Handbook and the A&RAC Committee and Trust are compliant.</p> <p>Q. There is only one Director on the A&RAC, most of the membership is from Trust Members?</p> <p>A. The purpose of the Committee is scrutiny and we are compliant with the Trust Financial Handbook.</p> <p>Q. Would it not be appropriate to have more Directors on the Committee?</p> <p>A. This can be discussed with Directors.</p> <p>Q. What would be the suggested A&RAC membership?</p> <p>A. We should have fewer Members and more Directors. The suggestion would be a minimum of two Directors, two Local Governing Body Governors and two Members.</p> <p>ACTION: The Chair to discuss the proposed changes to the A&RAC membership with the Directors at the next Board meeting on Thursday 30 June 2022.</p> <p>The CEO updated that the possibility of a pooled GAG has been discussed but SHARE MAT is not yet ready to move to pooled GAG funding. Changes can be made through the top-slice charges.</p> <p>The Reserves policy has been reviewed by the DoF and some changes have been made.</p> <p>ACTION: The CEO to circulate the latest Reserves Policy.</p>	<p>Chair</p> <p>CEO</p>
356.	<p>Consider internal scrutiny reports and actions</p> <p>There were no internal scrutiny reports or actions for consideration</p>	
357.	<p>Final review of the External Audit Management Letter for the previous year, any emerging findings from the current interim/ in-year work of external audit, and external audit's approach to their work</p> <p>There were no further issues to be discussed at this meeting.</p>	

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358.	<p>Receive the draft budget for the forthcoming year for scrutiny prior to presenting to the Trust Board</p> <p>The 2022-23 Draft Budget Report to Audit & Risk Assurance Committee 21 June 2022 had been circulated before the meeting. The CEO updated the meeting on significant areas in the report.</p> <ul style="list-style-type: none"> • Shelley College has an in-year surplus. There will be significant spend on the 3G pitch which is already approved and mechanical works are required at an estimated cost of £1.7m over 3 years. • Thornhill has an in-year surplus. • Royds Hall has an in-year revenue deficit budget of 23k. This is likely to change when EHCPs and other in-year changes are processed • Most primary Schools are forecasting in-year deficits. This is mainly due to falling numbers on roll. Some primary schools have relatively high leadership costs and large swings in pupil admissions. • Overall, the Trust has a significant surplus. <p>Q. There are some high average teacher costs in the primary schools?</p> <p>A. This is due to some historical factors. It should be noted that average Teacher costs do include oncosts of NI and Pensions.</p> <p>Q. Is there a plan to deal with deficits?</p> <p>A. Yes, plans are in place for the Autumn Term.</p> <p>Q. Are we still expecting variation in energy costs for next year?</p> <p>A. Yes. Our contract is with the LA and YPO and costs will be revised in September 2022. We are expecting more increases and our budget assumptions may be too low for some costs. The budget will be presented again in September 2022.</p> <p>Q. Is the assumption for non staffing cost increases too low?</p> <p>A. Yes assumptions may be too low but we have been cautious in the past and a balance is required. We can review the extra costs in the autumn. A large element of the 11% predicted inflation is energy costs.</p> <p>Q. Does the Capital in the Budget exclude SIF Bids?</p> <p>A. We do not have SIF bids due to the size of the Trust. We get a SCA allocation. Capital in the budget is based on Devolved Formula Capital. We also receive SCA funds, the Trust prioritise the spend of the SCA funds.</p>	

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	<p>Q. Will Whitcliffe Mount join the Trust in September 2022 and will the budget be revised to include Whitcliffe Mount? A. Yes. Whitcliffe Mount are expected to have a surplus of circa £0.3m when they join the Trust. The conversion is still planned to take place on 1st September.</p> <p>Q. Why are secondary schools more likely to have a surplus? A. The population fall is expected to impact secondary schools over the next 5 years. Secondary schools do achieve size efficiencies more easily.</p> <p>Q. Could we do some sensitivity analysis for costs increases? A. This would be a lot of work for the team. We would prefer to present the budget again when assumptions are more certain in September 2022.</p> <p>Q. Will there be an impact of Lily Park closure and disaggregation? A. Yes. We continue to work with the RSC and DfE.</p> <p>Q. Are the costs of the Shelley 3G pitch included? A. We do now have a preferred contractor and quotes are in line with the approved spend. We are still waiting for planning permission. The cost will be funded from reserves.</p> <p>Q. Will Directors approve the costs of mechanical issues at Shelley College? A. Yes. This will be considered at the Board Meeting on 30 June 2022. The cost will be spread over 3 years.</p> <p>Q. Have we received benchmarking information from the Auditors? A. No but we can check with the DoF.</p> <p>ACTION: The CEO to check with the DoF if benchmarking information has been received from the Auditors.</p> <p>It was noted that the A&RAC members do have concerns that the assumptions for cost increases for staff costs, utilities and non staffing costs in the draft budget are too low.</p> <p>The CEO also noted that there is a risk of the Trust having £5m in reserves and we do need to have a balance in budget assumptions to avoid being overly pessimistic.</p> <p>RESOLVED: That the 2022-23 Draft Budget be recommended to the Trust Board for approval.</p>	<p>CEO</p>

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359.	<p>Review of Committee Effectiveness</p> <p>ACTION: The Chair to discuss the approach to the review of Committee Effectiveness with the DoF.</p> <p>Review of Committee Effectiveness to be deferred until the next meeting.</p>	Chair
360.	<p>Review Committee membership, TOR and Work Programme for the forthcoming year</p> <p>(a) <u>Membership</u></p> <p>ACTION: The Chair to discuss Committee recommendations for membership of the A&RAC at the Trust Board meeting to be held on Thursday 30 June 2022.</p> <p>(b) <u>Terms of Reference</u></p> <p>The following amendments to the Terms of Reference were noted.</p> <ul style="list-style-type: none"> • Under Membership replace ‘Non-executive Board Members:’ with ‘Members of the Audit and Risk Assurance Committee’. • Review and update the members of the Audit and Risk Assurance Committee and term of office dates with the latest agreed view. <p>ACTION: The CEO to ask the DoF to review members and term of office dates and ensure they are up to date.</p> <p>ACTION: Extensions to the Audit and Risk Assurance Committee members term of office to be agreed at the next meeting of the Audit and Risk Assurance Committee.</p> <p>(c) <u>Work Programme 2022/23</u></p> <p>The Chair updated that the Work Programme was largely unchanged. The Work Programme is very helpful in setting meeting agendas throughout the year.</p> <p>Q. Should the Risk Register be reviewed at the last meeting of the year?</p> <p>A. The Risk Register is reviewed at the first meeting of the year and the third meeting of the year. The significant item on the agenda of the fourth meeting in the year is review of the budget. We would expect any new emerging significant risks to be raised at any meeting during the year.</p> <p>ACTION: Add ‘Significant Budget Changes’ to the Work Programme for Autumn Term 1.</p>	<p>Chair</p> <p>CEO</p> <p>Chair</p> <p>Chair</p>

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361.	<p>Correspondence - record any correspondence received by SHARE Multi-Academy Trust Directors</p> <p>There were no items of correspondence for review or discussion.</p>	
362.	<p>Any other urgent business</p> <p>There were no items of Any Other Business for discussion.</p>	
363.	<p>Agenda, minutes and related papers – Trust 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 Trust, in accordance with the Freedom of Information Act.</p>	

The meeting closed at 7.32pm