



**RICHARD HUISH TRUST
AUDIT & RISK COMMITTEE MEETING**

12th September 2023 at 5:00pm

Rowan House Committee Room and Microsoft Teams

Committee members present: Dan Maycock (Chair)
Jade Renville
Pat Flaherty – via Teams

In attendance: John Abbott (CEO)
Paul Lonsdale (CFO)

Clerk: Helen Wells

MINUTES

AUD 23/01 1. MEETING FORMALITIES Action

1.1 Welcome and apologies for absence

The chair welcomed everyone to the meeting. There were no apologies.

AUD 23/02 1.2 Declaration of interests
None of the Committee Members present had declarations to make in relation to items on the agenda.

AUD 23/03 1.3 Minutes of the previous meeting
Directors agreed the minutes of the previous meetings were accurate and the Chair consented for his electronic signature to be used to formally sign them off.

AUD 23/04 1.4 Matters arising
Directors discussed the matters arising report noting all items as complete or with action pending as agreed.

2. STRATEGIC OVERVIEW

AUD 23/05 2.1 Strategic risk register and discussion of challenges and impact
The chair asked if there were any changes or updates since the last time the committee reviewed the register. The CFO outlined that the status at this point the register for 2022/23 is being revisited in terms of the controls for 2023/24. Notable items:

- the risk around Pyrland School has reduced slightly;
- the difficulties around maintaining a healthy budget in the current climate;
- growth of the Huish group is important to future stability.

AUD 23/06 Is there a timeline where it becomes financially challenging to maintain corporate services at Huish if growth is not realised?
Some of the primaries have a trajectory of retraction of numbers, due to falling demographics in coming years, which will directly impact on the size and sustainability of Huish overall. It is therefore important to consider growth as a key undertaking.

- cyber security has been added as a risk rather than being embedded within another risk; it is a high-level risk in the current climate.

Directors noted that having explanation around the changes to the register is useful.

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AUD 23/07 **What is the mechanism for the board to keep key risk issues regularly within view? Are the board confident that there are regular enough updates received to understand progress on the risks?**
Committees previously have been asked to perform deep dives into particular risks and to have a regular programme of assurance updates that demonstrate there are plans in place that are being monitored. The risk register should drive the conversations through the governance structure to ensure that all risks are being kept on top of.

AUD 23/08 **Is there more that needs to be done to ensure there are checks and balances in place for strategic risks?**
The CFO noted that the main challenge for the risk register is to get risks reduced to as low a score as possible (the lowest being a '1'), for the likelihood that they occur after mitigation. At present some of them are, but not all, particularly where there are newly emerging risks. Directors discussed that the governance oversight needs to be efficient and of the right granularity, without duplication, at different levels. The use of triangulating information is key to the directors seeking assurances. The annual planning document of business for the board and committees is closely monitored by the clerk, with items being brought forward or added as necessary where committees discuss the need to monitor more closely.

AUD 23/09 **Are the financial risks for schools, with particular reference to the risk posed by the inadequate funding provided by the council for high level SEND pupils, reflected adequately in the register?**
These are more evident for the primary schools where this is felt more keenly. There needs to be a commonality of risks and threats which will be reflected in the update.
Directors agreed that the format of the register works well and clearly communicates the risks.

AUD 23/10 **ACTION: Ensure that the deep dive examinations by committees are allocated once the next iteration (2023-24 version) of the risk register is available.** Clerk

AUD 23/11 **2.2 Academy Trust Handbook tracker 2022/23**
Directors received the new compliance tracker and thanked the Governance Specialist for her work on this with the CFO. They noted it will be a very useful point of reference for future audits and external reviews. The single 'limited' rated area was discussed and the context of the reasons for this as arising out of the most recent internal audit.
ACTION: To follow up on item 5.26-5.28 in the ATH tracker once the outcome has been agreed. CFO/
Clerk

AUD 23/12 **2.3 Cases of fraud and whistleblowing**
The CFO confirmed there have been no cases of fraud or whistleblowing since the last meeting.

AUD 23/13 **3. AUDIT ARRANGEMENTS**
3.1 Internal audit report 2022/23
The CFO noted highlights including that the actions relating to school trips have been closed since from the last review. There are some areas outstanding for the auditor to complete, but these are in hand. There are some other substantive testing areas that need to be completed but these will also be picked up by the external auditor in due course.

AUD 23/14 It is a positive report with progress being made in many areas, particularly with some long-standing actions that have now been closed off.

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AUD 23/15	Directors noted the recommendation around DBS, the CFO noted that they did not believe that the auditors are accurate on this area. Directors agreed that they would like further assurances around this from the CPO.	
AUD 23/16	ACTION: CFO and CPO to produce a statement in response to the action relating to DBS checks from the internal audit of 2022/23 and to share with committee members.	CFO/ CPO
AUD 23/17	The action relating to MIS is being addressed to standardise procedures around data collection across the schools to ensure that profiles of students are kept up to date to ensure that it is accurate and money is being drawn down consistently for those students who should be able to access funding.	
AUD 23/18	ACTION: Circulate the final internal audit report electronically to committee members once available (this does not need to come back to the committee as it will feature in the annual report).	Clerk
	3.2 Internal audit plan 2023/24	
AUD 23/19	Directors discussed the requirement in the academy trust handbook relating to assurance over data and data returns and whether this would be a useful theme to explore via internal audit, in addition to the normal compliance focus.	
AUD 23/20	Directors noted that post-16 the emphasis with audits from the ESFA is around apprenticeships and adult funding, rather than data and data returns. Data and data returns could therefore pose potential risk as it not routinely audited, assurance may therefore be useful to gain in this area. Directors agreed this may be useful to be the first part of this activity, with other academies being audited for data and related returns at a later date.	
	ACTION: Take forward auditing of data and data returns for the internal audit plan, with the priority being the college.	CFO
AUD 23/21	Directors then discussed cyber related risks. The JISC penetration test was just over a year ago, which prompted discussions about the frequency of third party assessment and whether this should be conducted on an agreed cyclical basis – the difficulty being that it is such a dynamic area. JISC is the sector lead and whatever they advise will be critical. Directors noted that, in light of recent issues with cyber security, it may be pertinent to undertake a penetration test during the course of this year, but that they are keen to seek further input and guidance from the local experts.	
AUD 23/22	ACTION: Directors agreed they are keen to get further input from the IT director and JISC regarding the frequency of future penetration testing for cyber security.	CFO
AUD 23/23	Directors asked that whatever is commissioned for the internal audit it must be cross referenced back to the risk register and, where possible, the executive team should seek reassurances from other sources outside of the internal auditor (Griffin).	
AUD 23/24	ACTION: Produce a summary to show where there has been third line (external) assurance over the strategic risks over the last few years.	CFO
AUD 23/25	3.3 External auditor audit plan 2023/24 The chair noted that this is produced each year ahead of the external audit for the committee to consider. The plan tends to be largely static unless there are significant emerging themes that impact on the national audit framework for compliance with the handbook; this year there are no specific significant changes.	

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AUD 23/26 The chair noted that fees will be in line with the audit tender that was undertaken last year. Directors noted that there are changes around fraud, the CFO assured directors that the level of checks that transactions undergo monthly are rigorous and the chances of it being material are remote.

AUD 23/27 **APPROVED: Directors agreed the external audit plan for 2023/24**

AUD 23/28 **3.4 Review audit tracking database**
Directors noted that many audit actions have been closed off as a result of the recent internal audit. Directors noted that the tracker remains a very useful and impactful document to give strategic oversight of key audit outcomes.

AUD 23/29 **3.5 Accounting Officer checklist 2022/23**
Directors noted the checklist for information which will be worked through for completion, directors noted that the new ATH tracker will be useful as evidence for this. The CFO confirmed that there are no significant changes from the previous iteration.

4. COMMITTEE MATTERS

AUD 23/30 **4.1 Self-assessment for 2022/23**
Directors discussed the outcomes from the committee's first self-assessment review, with a particular focus on lower scoring areas. Directors considered that there may be some room for alignment with other committees where there are shared themes for improvement and that it aligns with seeking the opportunity for more external input and views for around gaining assurances on the effectiveness of committees.

AUD 23/31 Directors reflected there is comprehensive content on agendas and opportunities for discussion or information available as a committee, or as individual committee members and that this works very well and is far more comprehensive compared to other similar committees they are involved with.

The CEO left the meeting.

AUD 23/32 **5. POLICIES**

5.1 Critical Incident Management and Business Recovery/Continuity Plan
The CFO gave an overview about the plan, which has been drafted in response to requirements in the ATH. It is intended to be a framework to address serious incidents and the response around this from across Huish in the event of them arising. The intention is for the CFO to walk through the plan with each of the academy leads to ensure there is consistency around how the expectations are delivered across Huish and perform an audit as to how well prepared each institution is.

AUD 23/33 Directors suggested and noted the following:

- exercising of the document is important and that people understand it, including devising scenarios for people to work through and role play;
- having visible action cards for people to work with should the worst happen with key contacts list being available etc;
- what happens if there is a national power outage and how communication would then happen if there are no mobile phones;
- do those who are named as key people have a keen awareness of what their role will be;
- how do you prepare and test for an incident;
- institutional specific business continuity plans – useful to make sure the comprehensive list is appended to this;

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- needs to address what happens within work hours and out of work hours.

AUD 23/34 The CFO described that the next phase is to look at the scalable responses for each academy in different scenarios.

AUD 23/35 Directors discussed at what point the emergency services will step in, the shared experience of the committee was that it remains the institution's responsibility until such time as emergency services step in, with ultimate responsibility remaining the trust for ensuring procedures are exercised as well as possible.

AUD 23/36 The CFO noted that this is an internal only, living document and will need to be kept under constant review.

AUD 23/37 **RECOMMENDATION TO THE BOARD: The committee recommended the policy for approval to the board.**

6. ANY OTHER BUSINESS

AUD 23/38 **6.1 Reinforced autoclaved aerated concrete (RAAC) overview for RHT**

Directors sought assurances regarding the RAAC situation at Huish, the CFO confirmed that there is no RAAC. The assessment for the DfE was completed some time ago, there has been verbal confirmation that there is no RAAC, pending a final report from the DfE.

AUD 23/39 **6.2 Impact of new academy trust handbook**

Directors noted the updates to the handbook and noted there are no significant changes to be concerned about.

AUD 23/40 **6.3 Items for next meeting**

Directors agreed for the clerk to invite leads from the College, West Buckland and Lyngford Park to meetings this year, along with their chair of governors.

AUD 23/41 Directors confirmed they are happy with the proposed draft joint agenda with F&GP, but to remove the cyber security item as this will be picked up through the matters arising and to add into section 3 a closed session with F&GP and A&R without management present.

AUD 23/42 **ACTION: Update the draft agenda for the next meeting and invite representatives from the agreed academies to future meetings.**

Clerk

AUD 23/43 **6.4 Any other business**

There was no further business.

AUD 23/44 **6.5 Confidentiality of meeting content**

The Critical Incident Management and Business Recovery Plan is an internal only document and not for public consumption.

AUD 23/45 **6.6 Dates of future meetings**

Dates of future meetings were noted.

There being no further business the meeting ended at 7.11pm

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