



**RICHARD HUISH TRUST  
JOINT AUDIT & RISK AND FINANCE & GENERAL  
PURPOSES COMMITTEE MEETING**

**28<sup>th</sup> November 2023 at 5:00pm**

**Rowan House Committee Room and Microsoft Teams**

**Present:** Dan Maycock (Chair, Audit & Risk Committee)  
Catherine Christie (Chair, Finance & General Purposes Committee)  
Jade Renville (A&R Committee) – via Teams  
Pat Flaherty (A&R Committee) – via Teams  
Clare Greenslade (F&GP Committee)

**In attendance:** John Abbott (CEO)  
Paul Lonsdale (CFO)  
Tim Borton – Auditor  
Richard Anderson – Director of IT and Facilities  
Jessica Doyle – Trust Finance Manager

**Clerk:** Helen Wells (Governance Specialist)

**MINUTES**

**AUD 23/46** **1. MEETING FORMALITIES** **Action**

**1.1 Welcome and apologies for absence**

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

**AUD 23/47** **1.2 Declaration of interests**  
None of the Committee Members present had declarations to make in relation to items on the agenda.

**AUD 23/48** **1.3 Minutes of the previous meeting**  
*This followed item 2.1*  
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 23/49** **1.4 Matters arising**  
Directors discussed the matters arising report noting all items as complete and/or brought forward to this, or future meetings as agenda items. Directors discussed item 3.2 on the matters arising noting that there have been some challenges in aligning data from the college MIS systems since it academised; there has been much work undertaken to reconcile data and finances.

**2. JOINT AUDIT & RISK AND FINANCE & GENERAL PURPOSES COMMITTEE FOR FINANCIAL STATEMENT 2022-23**

**AUD 23/50** **2.1 Members’ Report, financial statements, management letter, letter of representation and going concern assessment**  
*This item followed item 1.3.*

The CFO highlighted the inclusion of two new sections in the Members’ Report; engaging employees and suppliers and customers. These two sections must be included as Huish now employees in excess of 250 staff which means the threshold for these two sections has been met. A further additional section entitled “Promoting the success of the charity and its charitable purposes” focuses on how members and trustees support the charitable objectives of Huish are

Signed:.....Dan Maycock..... Date:.....15/01/2024.....

being met. Underpinning this is the going concern assessment for 2022-23 which forms part of the audit and members report. The report has been reviewed and proof-read in detail by the CFO and the auditors.

**AUD 23/51 The risks in the members report are slightly different to what is in the strategic risk register, is this deliberate?**

They are risks that are specific to some of the organisations and not others and therefore not as a strategic level (SEN) – primary phase impact of SEN, Covid was something asked to comment on last year but it has pulled through to this year. There is some overlap with the strategic risk register but it is not 100%.

**AUD 23/52 Financial key facts overview led by TB:**

- Just over £25m of income, just over £24m of expenditure, overall operating surplus of £960k.
- Ongoing loan repayments from RHC still being made, with that removed shows a shortfall for the year, depleting the overall reserves for the year.
- £862k carried forward for reserves.
- £2.1m of debtors, £3.3m in bank at year end, £4.3m creditors giving £1.4m overall with reserves at £860k carried forward.
- Impact of pensions highlighted.
- Reserves policy is 1/12<sup>th</sup> of income which is a £2m target against actual reserves of around £860k, ESFA have recently issued guidance on the reserves policy – advise anything under 5% puts MATs at financial risk (not mandated), although many trusts run at a lower percentage. Directors confirmed they have received this guidance.
- The CFO noted that RHT do not pool reserves.
- Overall wages and salaries have gone up 18% due to pay increases during the year, the pension cost has gone down due to the year-end adjustment last year for the current service cost. TB advised some trusts have opted to include an explanatory note.
- Boarding £17k deficit in last year and a larger deficit in the current year leading to an overall deficit, ESFA guidance says aiming for an 8% surplus which is on course for the future but not achievable yet. CFO noted that this remains consistent with the forecast position and updated directors on the plans regarding the boarding facility, noting challenges on filling rooms when they become vacant after the start of term.
- Reserves overview by academy - all are in a positive position. Central Services are in a negative position – this is noted as being due to significant software costs that will be addressed in future years.
- Fixed asset funds noted as yet unspent, but the CFO confirmed there are plans for this.

**AUD 23/53 Two items on the going concern assessment were rated as moderate, has consideration been given to the impact of these if the risks are realised?** There have been discussions about how and where costs could be quickly removed. Despite this there would be an impact in the short term but the mitigations that could be put in place would allow Huish to continue as a going concern. A sensitivity analysis has been carried out by Bishops Fleming to help provide more detail of the potential impact.

**AUD 23/54 Members report - narrative section, is this quality assured by Bishops Fleming (BF)?** BF are required to report on any inconsistencies between the members report and the financial performance as detailed in the accounts, and ensure that it is properly prepared in accordance with regulations and contains everything it should; there are no issues with the quality of the report.

**AUD 23/55** TB ran through a summary of the Key Issues for Discussion Document (KIDD) for directors, assuring them that there are no significant items of issue to note. Advisory points were noted in relation to further strengthening IT policies to enhance internal controls and a note regarding best practice for the boarding account. He noted all matters raised the previous year had been resolved. TB asked directors to confirm there are no outstanding issues; directors confirmed this is the case. TB confirmed that the letter of representation will be issued soon for the chair to sign at the next full board meeting in December, along with the final accounts.

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**AUD 23/56** Directors and the CFO noted thanks to the Finance and IT teams for their role in the audit activity, TB noted that the interaction with the team has been very positive. Directors noted they are pleased with how smoothly the audit has gone and that they are very grateful for this, noting it's a reflection on the quality of the team.

The chair thanked attendees for their input and closed this section.

*TB and CC left the meeting.*

### **3. AUDIT ARRANGEMENTS**

*This followed item 1.4*

#### **AUD 23/57 3.1 Academy Trust Handbook 2022**

##### **a) Compliance review**

Directors noted the review with only one area being flagged as potentially non-compliant around leases which has since been agreed with BF as being compliant.

#### **AUD 23/58 b) Accounting Officer compliance check**

**Are there policies in place regarding the proper use of corporate credit cards?** There is a virtual and physical credit card system, the physical card limits are low as Huish prefer the use of the finance system. Credit card activity is reviewed and reconciled on a monthly basis; no cash can be withdrawn on the cards. Directors noted they were happy with the check as provided.

#### **AUD 23/59 3.2 Griffin Internal Audit Annual Review**

Directors noted they were happy with the report as previously reviewed in draft at the last committee meeting, noting the governance related actions have all been addressed.

#### **AUD 23/60 3.3 Audit & Risk Committee Annual Review**

Directors noted this is a mandatory activity for the committee that must go to the ESFA from the A&R committee, adding that other committees have followed this approach as good practice to summarise and reflect on the business during the year.

**AUD 23/61** Directors discussed the value of the external auditors, the CFO noted that the consistency of the audit team has been beneficial as it has removed the need to explain the college aspect of the audit, this has been passed on to BF last year.

Directors noted it is a good report and thanked the team for the smooth production of the document.

#### **AUD 23/62 3.4 Directors access to auditors (as needed)**

The chair noted this is an item of good governance to have a closed session with the committee and auditors, noting that the chair had spoken with BF prior to the meeting and circulated a summary of the discussion to fellow F&GP and A&R members.

### **4. A&R COMMITTEE MATTERS**

#### **AUD 23/63 4.1 Strategic Risk Register updates 2023/24**

*This followed item 4.3*

The CFO gave an overview to directors since the last version that came to A&R in September; time has been given to looking at getting as many of the three lines of defence mechanisms to a score of '1' (lowest risk rating) which is challenging in some areas. Directors noted they are assured by the structure, content and control elements of the register, noting that where there are things that can be influenced and controlled there are good mechanisms in place to do so.

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**AUD  
23/64**

Feedback has been sought from the academies for the phase specific risks, all have concurred with what has been entered in the register as being an accurate reflection of local risks. Directors noted it will be useful for the board to review the register at the next full meeting in December.

**4.2 Strategic Plan 2023-27**

*This followed item 3.4*

**AUD  
23/65**

Directors noted that they are happy with the content as previously discussed.

**How will progress against the strategic plan be monitored?**

The CEO described how specific elements of the plan will be assigned to the committees to monitor and report back on progress to the full board.

**4.3 Cases of fraud and whistleblowing**

There were no cases reported.

**AUD  
23/66**

**5. ANY OTHER BUSINESS**

**5.1 Items for next meeting**

*This followed item 4.1*

**AUD  
23/67**

Directors noted items for the next meeting and discussed the approach.

**5.2 Confidential items**

There were no items discussed flagged as confidential.

**5.3 Any other business**

There was no further business.

**5.4 Dates of future meetings**

Dates of future meetings were noted.

There being no further business the meeting ended at 6.23pm

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