# RICHARD HUISH TRUST
# AUDIT & RISK COMMITTEE MEETING

**28th November 2024 at 5:00pm**

**Room M4 at Richard Huish College/Microsoft Teams**

**Committee Members present:** Dan Maycock (A&R Committee Chair)
Jade Renville (A&R Committee member)
Olivia Salaman (A&R Committee member) – via Teams
Dominic Lynch (F&GP Committee member)
Clare Greenslade (F&GP Committee member)

**In attendance:** John Abbott (CEO)
Paul Lonsdale (CFO)
Jessica Doyle (Finance Manager)
Roz Abbott (MIS Manager) – via Teams
Mark Munro (Bishop Fleming, Auditor) – via Teams

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

**MINUTES**

**AUD 24/33** **1. MEETING FORMALITIES** **Action**

**1.1 Welcome and apologies for absence**
The chair welcomed everyone to the meeting. Apologies were received from Pat Flaherty, Catherine Christie and Rich Anderson. The meeting was quorate.

**AUD 24/34** **1.2 Declaration of interests**
None of the committee members present had declarations to make in relation to items on the agenda.

**AUD 24/35** **1.3 Minutes of the previous meeting**
Directors agreed the minutes of the previous meeting from 17th September 2024 were accurate and the Chair consented for his electronic signature to be used to formally sign them off.

**AUD 24/36** **1.4 Matters arising**
Directors discussed the matters arising report noting all items as complete with an update agreed to be given at the next meeting regarding the Critical Incident Management/Business Recovery Plan. The CFO noted that there will be an exercise to trial planned approaches early in the new year.

**2. STRATEGIC OVERVIEW**

**AUD 24/37** **2.1 Annual Report to Members**
*This followed item 3.3*
Directors discussed the draft members report including the financial statements, management letter and letter of representation. They noted the Going Concern assessment and the Key Issues for Discussion Document (KIDD) from the auditor. Directors observed that there were no matters of significance raised by the auditors the reports. They noted that the letter of representation is pending.
**ACTION: Ensure the Letter of Representation is with directors in time for the full board meeting on 5th December.** **Clerk**

Signed:……*Dan Maycock*……………………………………….. Date:…14th January 2025…………………………

*Mark Munro (Auditor) joined the meeting via Teams, introductions were made.*

**AUD 24/38** MM noted that the audit has been very smooth from the perspective of the auditor this year. He highlighted some key points for directors:

- **AUD 24/39** There have been very few adjustments that have affected the final accounts, with the exception of the support staff Local Government Pension Scheme (LGPS) actuarial adjustments.
- **AUD 24/40** The overall operational reserves within the reserves policy have increased by £94k over the last year, adding to the reserves carried forward from last year of £862,346 giving a total of £956,318. The reserves policy is set at 1/12th of recurring income and therefore the current reserves total is below the target in the policy, although this is being worked towards. This is for the trust to determine and agree whether it remains the right amount.
- **AUD 24/41** The Carbon reporting is a legal requirement to disclose emissions under the streamlined carbon reporting regulations. The reporting requirements are clear that the majority of the carbon reporting for the academic year must be reported, the current format of the trust's reporting set up does not allow for this and will need to be addressed ready for the next annual report.
- **AUD 24/42** On moving to the DfE Chart of Accounts there has been a movement between leasehold and Freehold Assets within the Fixed Assets Working Note, now detailing the analysis more accurately.
- **AUD 24/43** Subsidiary Huish Education Services Ltd is not consolidated, auditors are comfortable with that approach.
- **AUD 24/44** Further analysis of the RHC reserves brought into the Trust on academisation has identified that a proportion of the balance related to surpluses generated by the boarding facility, Oak House. This split has now been identified in the balance sheet and boarding house account.

The Key Issues for Discussion Document (KIDD):

- **AUD 24/45** Section 2 – risk section – tested by design and implementation of day-to-day controls within the trust and sample-based testing depending on the risk. The outcome is that there is nothing that has arisen that gives any significant cause for concern across most areas, including those which are mandated as high-risk areas.
- **AUD 24/46** It was confirmed that any open actions from the KIDD will be brought forward into the audit tracker for the trust.
- The auditor asked if there were any other issues that had arisen since the end of August; the committee confirmed there was nothing to raise.

**AUD 24/47** The auditor confirmed that the Letter of representation is a standard letter, nothing has changed from last year.

**AUD 24/48** He added that with the rules with regards to leases are changing and will come into the next change of the Charity SORP, but do not come into effect to impact on the trust until 2027. He assured directors that the changes look to be straightforward to manage.

**AUD 24/49** Directors thanked the auditor for his input and noted the smoothness of the process and recognised the contribution of his team.

*Mark Munro left the meeting.*

**AUD 24/50** Directors observed that the audit seemed to have gone very smoothly, noting the introduction of a new accounting system, and passed on their thanks to the team.

Signed:……*Dan Maycock*……………………………………….. Date:…14th January 2025……………………….

AUD 24/51 **2.2 Directors access to auditors**
Directors had already privately met with the auditor ahead of the meeting.

## 3. AUDIT ARRANGEMENTS

*This followed item 4.1*

AUD 24/52 **3.1 Compliance with the Academy Trust Handbook (ATH) 2023**

**a) Compliance review with the ATH 2023/24**
Directors noted the review with two areas that are working towards full compliance, but there are plans in place to ensure these areas are fully addressed.

**b) Accounting Officer Checklist ATH 2023**
Directors noted the checklist, observing that there was nothing of significance to review.

**c) Griffin internal Audit Annual Review**
Directors noted the internal audit report, acknowledging there were no areas of significant concern raised within the report.

AUD 24/53 Directors discussed a note from the internal audit report regarding repeating DBS checks for employed staff. Directors noted that this had already been discussed and reviewed in detail at the Governance & People Committee and confirmed they were satisfied with the outcome from that discussion.

AUD 24/54 **3.2 Audit & Risk Committee Annual Review**
Directors noted the draft report, and directors were asked for any comment to be provided to the Governance Specialiast ahead of the board where it will be recommended for approval and signature.

**3.3 Appointment of Internal Auditors**
*This followed item 1.4*

AUD 24/55 The CFO outlined the context, process and reasoning behind inviting internal audit services from local providers. Of the three organisations who expressed interest two put forward quotes for their services. Directors noted that there appear to be limited internal audit services available locally, despite a long lead in time for quotes since the early summer. It was confirmed that the value of the contract falls below the tender threshold. The chair of the A&R committee met with representatives of each provider to help understand the level and appropriateness of service that could be offered and the value for money as a result. The proposal to the board will be to retain Griffin as the internal auditors.

**RECOMMENDATION: The A&R Committee recommended the appointment of Griffin as the Internal Auditor to the board.**

Signed:……*Dan Maycock*……………………………………….. Date:…14th January 2025…………………………

## 4. COMMITTEE MATTERS

**AUD 24/56** **4.1 Apprenticeship audit report**
*This followed item 2.2. Roz Abbott joined the meeting*

The outcome of the apprenticeship audit was 'satisfactory' and is the best outcome possible. The audit process operates with a significant depth of analysis to pick up on errors within the data. It was a useful process for the team, as it was the first time they have been through an audit. The audit helped clarify where extra procedures will be beneficial to ensure work meets the required standards. It highlighted improvements need to be made to how employer contribution payments are collected; a new procedure is in place to ensure this is monitored in a more robust way. Of the issues raised most were resolved to the satisfaction of the auditors before the audit was closed. The committee discussed the format of how the apprenticeships are managed operationally within the trust.

**AUD 24/57** Directors confirmed they felt assured by the outcome of the audit but would like to see additional assurance that all actions resulting from the activity are properly resolved and new procedures fully embedded by the cross-trust team in the longer term, to ensure that by the time of the next audit there are no recurring or surprising outcomes.

**ACTION: Provide an update to the A&R Committee on progress with addressing the lessons learnt from the apprenticeship audit.** **Clerk**

**AUD 24/58** **Is the accountability clear for where responsibilities lie?**
It is clear since the audit where accountability for each aspect of the apprenticeship activity lies.

Directors thanked the team for their work on this audit.

*Roz Abbott left the meeting.*

**AUD 24/59** **4.2 Cases of fraud and whistleblowing**
There were no cases of fraud and whistleblowing.

## 5. ANY OTHER BUSINESS

**AUD 24/60** **5.1 Agenda for next meeting**
Directors noted the agenda.

**AUD 24/61** **5.2 Confidential items**
Directors agreed there no confidential items.

**AUD 24/62** **5.3 Any other business**
There was no further business.

**AUD 24/63** **5.4 Dates of future meetings**
Directors noted the dates of future meetings.

There being no further business the meeting ended at 6.55pm

Signed:……*Dan Maycock*……………………………………….. Date:…14th January 2025……………………….