

THE AUDIT COMMITTEE OF THE BOARD OF TRUSTEES**PUBLIC MINUTES**

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| Date | : | Tuesday, 7 July 2020 | |
| Time | : | 14:00 | |
| Venue | : | Virtual via Zoom | |
| Present | : | Asha Choolhun | Trustee / Chair |
| | | Mohammed Mamun | Trustee |
| | | Phillip Minns | Trustee |
| In attendance | : | Tom Canning | Chief Executive Officer |
| | | Sarah Lack | Deputy CEO and Headteacher of Cleves |
| | | Steven Lock | Chief Finance and Operating Officer |
| | | Rose Nelson | Finance Specialist |
| | | Claire Muti | Head of Internal Audit |
| | | David Lightman | Clerk |

The Code of Conduct for Trustees requires Trustees to be honest and open with regard to conflicts of interest (either real or perceived). Trustees must not use their position for personal gain in business, political or social relationships. Therefore, a Trustee who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.

Items marked * are those in which a majority of Trustees may have an interest because of some shared attribute. When considering these items, Trustees should aim to achieve a balanced view, paying particular attention to the sources of information and advice, and remind themselves of their duties as Trustees and to act in the public interest.

1. MEETING OPENING

- 1.1 The Chair welcomed everyone to the meeting.
- 1.2 No apologies were received.
- 1.3 Quoracy was confirmed.

2. DECLARATION OF INTERESTS, PECUNIARY OR OTHERWISE IN RESPECT OF ITEMS ON THE AGENDA

- 2.1 There were no declarations of interest made on any items on the agenda.



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3. CONSTITUTION AND MEMBERSHIP LIST

3.1 There were no changes to the constitution or membership.

4. PUBLIC MINUTES OF THE PREVIOUS BOARD MEETING AND ACTIONS ARISING

4.1 The minutes of the Audit Committee held on Monday, 16 December 2019 were **AGREED** and **RATIFIED** as a correct record.

4.2 There were no actions arising from the previous minutes.

5. MAIN BUSINESS

5.1 ITT – Financial Management Support and Internal Audit Managed Services.

5.1.1 The Chair handed over to Steven Lock who shared the report in (Appendix 2), first giving some context. SGL reminded trustees that incumbent provider was appointed by the Trust last year as an immediate fix to the resignation of the former CFO. Over the incumbent has supported the trust and the CFO office to turn the Boleyn Trust into a strong financial institution. Finance across the schools has now been totally centralised. The incumbent advises as a finance specialist with a management accountant and SGL as CFO implementing the strategy. For business continuity purposes the trust must now look at making a formal arrangement with a provider in order to secure the improvement made so far. Best practice will be to engage an appropriate organisation in a three-year contract to provide support to the CFO inline with the AFH.

5.1.2 The trust sent a restricted tender sent to six organisations receiving three replies.


5.1.3 SGL outlined the details of the different responses and the scoring criteria and why the executive team were recommending Academies Finance.

5.1.4 SL confirmed the value that RN and her team have brought over the last year across the whole trust. The rest of the committee agreed with this and commented on her helpfulness and responsiveness.

5.1.5 Steven confirmed that the tender process was compliant with the AFH and that the value-added discount offered by Academies Finance was for the whole three-year period. A three-year period was chosen as it provided security and continuity for the Trust, though there are clauses which allow the Trust to exit the relationship if needed.

5.1.6 The meeting discussed the responses and their costs and it was agreed to appoint Academies Finance for three years, starting from 1 September 2020.

5.1.7 Rose Nelson and Claire Muti then joined the meeting.



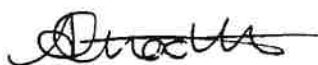
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- 5.2 To receive Draft Internal Audit Report for each School
- 5.2.1 Claire Muti said that what was needed for this year is to complete the internal scrutiny and identify the high-risk areas and make sure that they are completed. So far, we've looked at fixed assets, HR and payroll and the purchasing cycle and cash.
- 5.2.2 The recommended areas to look at to complete in the next couple of weeks are: all types of funding, month end close and budgeting process. We should also look at governance and compliance and how the key policies are covering all of the risks that the trust is facing to ensure that they are covered.
- 5.2.3 Steven Lock proposed that the trust adopts the proposals that Claire outlined. This was approved by the meeting.
- 5.2.4 Rose Nelson gave an introduction to the Draft Internal Audit Report. Previously there was internal scrutiny but this is the first internal audit we've done which covered specific areas. The main issue was the Ravenscroft procurement issue which has been addressed.
- 5.2.5 CM presented the internal audit report for each school with the findings graded in terms of severity. While all the schools but one has a fixed asset register none of them are in line with the finance manual.
- 5.2.6 There were other smaller points on the purchasing and cash side there were some minor points which are being addressed.
- 5.2.7 Claire said that the documents don't stand on their own and that everything will be put into a new internal audit database which will ensure control and that action will be taken, which can be checked at the next audit.
- 5.2.8 Steven Lock said that there was now an Executive Business Manager in place working with the school business managers and head teachers who is cracking down on value for money, with head teachers being held accountable.
- 5.2.9 The meeting was happy to approve the suggested works for the summer term.
- 5.2.10 Steven pointed out that the internal audit documents had not been shared with the Headteachers yet and so are confidential.
- 5.3 The Audit Committee reviewed and approved the proposed planned scope of work to complete 2019/20 financial year.

The scope of work was approved



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6. STANDING ITEMS

6.1 No Item to report.

7. ANY OTHER URGENT BUSINESS

7.1 RN said that the Trust is going through the budget process now. It will be a two-phase process, all the head teachers will receive a draft budget tomorrow and next week the school development plan will be presented to the executive team, which will be tied into the budget.

7.2 The budget will then come to the trustees on 14 July. Because there will be some additional guidance and financial policies that will come out between now and September due to the impacts of COVID 19, there will be a phase two of the budget. The ESFA has revised the submission date for the budget until the end of September, which will allow for a better picture on the additional COVID 19 costs and so the second phase will take this all into account and allow for a revised budget and reforecast to be shared with trustees before it is submitted to the ESFA in September.

7.3 The external audit process will start in August with an interim audit and the final audit in October. Rose felt that the trust is in a strong position with regards to this because of the hard work and all that has been put in place during the course of the year.

8. DATE, TIME AND VENUE OF NEXT MEETING

8.1 The date of the next Audit Committee will be communicated to Trustees.

8.2 There being no further business, the Chair thanked everyone for attending and the meeting closed at 15:45pm



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