



An Daras Trust
Igniting Curiosity Growing Capabilities

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03/12/2020

Minutes
Audit Committee 2 Autumn 2020
Wednesday 2nd December 2020 at 9.30am remotely via Zoom

1. Join Meeting

All participants confirmed video and audio connection.

2. Welcome and Apologies

Present: Steve Tavener (Chair), Peter Hague (Vice), Trudy Rudge, Will Hermon

In Attendance: Toni Martin (Governance Officer), Emma Gilbert (CFO), Jo Callow (Ex Officio), Nathan Coughlin (Bishop Fleming Auditor)

The Chair of Board would normally attend the external auditor's brief but sends apologies due to work; he has been in close liaison with WH regarding the audit throughout.

3. Declarations of Interest/Pecuniary Interests relevant to this Agenda

None declared for this agenda. Annual declarations complete and published on website.

4. External Auditor's Report

Nathan Coughlin (NC) from Bishop Fleming briefed the audit committee on the external audit findings. He gave an overview of the Trust position and the challenges involved with audits this year as it has been done completely remotely. He confirmed that the process has progressed well and the audit is on track to be completed in good time. Accounts are normally submitted by 31 Dec and although an extension has been granted, it is unlikely to be required. He noted that the Trust management has worked hard on the audit process and effectively addressed the issues raised in 2019.

NC talked through the Audit Key Issues Document. He noted a few accounting anomalies due to waiting for funds to be received, Covid related matters, adjusted items and unadjusted items in the accounts. **The pension adjustment appears to turn the deficit into a surplus – can you explain this?** NC explained how this is an adjustment and doesn't feed into future liability. Audit recommendations have reduced from 4 amber last year to 2 amber this year, and 6 green last year to 3 green this year.

NC talked through the amber observations: (1) Covid exceptional cost claims and eligibility to claim. Additional funding may not be available if current finances are in order. (2) Issues with VAT are being resolved.

The accounts look more positive due to less expenditure of school closures but due to Covid recovery plans, staff cover for illnesses and the like, next years accounts are likely to take a hit. NC talked through revenue movement, reconciliation and carry forward reserves. The MAT reserve

policy of 4-6 weeks is on par with other trusts. It is positive to take this forward given the uncertain financial climate in future.

NC discussed restricted funds, including PE funds and confirmed that any unspent carried forward will need to be spent by end Mar 2021. All schools have a surplus less CG but this is difficult in a small school and its financial position has improved. NC talked through the financial statements and balance sheet, and explained some of the costs such as pension liabilities. **A director clarified the position with regard to pensions** and NC provided an explanation.

5. Confirm minutes of previous Audit Autumn 1 Meeting (5th October 2020) and Matters Arising

- When data produced for Directors, it needs to include the 'so what' for the data collected (WH). *Data not produced yet due to lockdown and school closures, but this will happen in future. This will be done with all data in future.*
- Ring fencing funds against risks to be discussed at FSD 7th October. *Done. The committee agreed but it is difficult to ascertain what sum to put against each risk. It was suggested that perhaps a couple of directors meet with WH to discuss this. It was noted that although each school has a surplus, it should have Covid risk associated against that and perhaps some funds ring fenced. WH explained that has been done in this regard.*

Committee agreed the minutes and the Chair will sign a copy when normality resumes.

6. Confidential Matters

Two items were discussed and recorded under confidential minutes.

7. Recovery Plans

Resources being used appropriately and school recovery plans have been published on websites (DfE requirement). Data is now required to see how successful this additional provision has been. WH updated on some impacts so far such as phonics. Year 2 children have been tested in phonics (would have been tested in Year 1 but because of Covid they couldn't be) and the results have been promising compared to 2019, and seems to be in line with national outcomes. MAT Improvement Officers have been doing regular checks. Nationally Covid will have an impact on attainment and progress for primary children this year, potentially 10-15% below normal. There is around £8K left of Trust allocated funding which will be allocated in the spring term to continue some of interventions.

What position are the schools in and is there clear water following the lockdowns? Some school staff shortages have been difficult but no bubbles, year groups or schools have had to close. The biggest risk is if a number of staff are off at the same time and it makes the running of schools unworkable but not yet there. **Have all the laptops been delivered yet?** It was confirmed that they now have but the aim is to keep as many children in school as possible.

8. Review Management Accounts

Directors noted that many questions covered by external auditor and the committee discussed the management accounts.

Educational supply costs seem to be a big cost up front? Expenses loaded up front at the beginning of the year, rather than doing stock takes throughout the year. **Would it not be sensible to budget for that at the beginning of the year?** EG noted that could be done but the schools know that these particular funds have been allocated and so are not available throughout the year. **Why is CG struggling with budget, is it because pupil numbers?** Over number of years staffing costs were too high for the number of pupils but re-structuring has taken place to account for this. **Staff development is overspent but the budget amount is relatively low, why?** EG explained. **Why is the audit cost spread through the year?** EG explained. **A director commented on increased in salaries, increased debtors, numbers affected by addition of Princetown and the pension movement in the funds?** EG talked through those not already covered by NC.

EG will submit a year end balance sheet with commentary where necessary on the KPIs.

9. Review Debt Report

EG talked through overview of debtor report. Schools will be asked for their debtors reports at the end of the term, and debtors will be added to the KPIs. Better to look at in spring and summer term, and remove from the cyclical plan in the autumn term.

10. Annual Report & Annual Governance Statement

Annual report and annual governance statement have been seen by the committee, in particular Chair of the Audit committee and Chair of the Trust Board, and were agreed.

11. Visible Learning

ST attended the Visible Learning breakfast briefing with Deborah Saunders.

He noted what is involved and that it is common ground across the Trust, part of the improvement plan and commented on how this is being monitored across the trust? **It is looked at by the TLA but what should the audit be looking at?** WH confirmed that the outcomes are different to what was originally envisaged, but it has been positive and good value for money. An Daras is the only Trust that has partner status, evidence available but it is a method that has to keep being used and looked at continuously. JC noted that the impact of visible learning was particularly noticeable through lockdown in the way that children approached their learning.

Action: Add Visible Learning to Audit Committee cyclical plan annually for Autumn term. Deborah Saunders to provide update (potentially in person) on the following subjects as requested by the Audit committee – current action plans, previous case studies, current training, current focus, how is impact monitored, what impact can be quantified, trust training, what is shared with stakeholders.

12. AOB

Two matters covered in confidential minutes.

Thanks to EG, WH, MB and all others involved with the successful audit.

13. DONM

Next Audit committee is Weds 10th February 2021 at 9.30am via zoom.

Meeting closed 11.45am

TJH Martin

Governance Officer

Distribution List:

W. Hermon – CEO / Director S. Tavener (Chair) P. Hague – Director (Vice Chair) T. Rudge - Director	G. Barriball – Chair Trust Board E. Gilbert – CFO J. Callow – Ex Officio Observer
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