

The Swanage School

MINUTES OF THE MEETING OF THE AUDIT & RISK COMMITTEE

Held on 23rd November 2023

Item		Action	Lead	By
AUD I.1	<p>Apologies for Absence Apologies were received from Tim Marcus and Jessica Starmer and as such the meeting was not quorate however those present decided to proceed with the meeting and to record any recommendation which could be subsequently approved at the next quorate meeting.</p>			
AUD I.2	<p>Declarations of Interest There were no declarations of interest.</p>			
AUD I.3	<p>Minutes of the Last Meeting The committee is not quorum therefore it was recommended that the minutes of the meeting held on 6th June 2023 be approved at the next Audit Committee.</p>			
AUD I.4	<p>Matters Arising & Actions Matter arising from the last minutes: The Business Manger AT reported some issues that were outstanding with the committee:</p> <p><u>Risk Register - Cyber Risks</u> Following the Thomas Hardy cyber-attack, AT has followed up with QUOSTAR the school's strategic partner on the issues surrounding possible attacks. One issue that AT will be discussing at the February SFP committee will be IT infrastructure investment going forward. The list recommended from QUOSTAR is extremely costly up to £150,000. There are temporary solutions that TSS can implement. AT has asked QUOSTAR to attend the meeting in February to discuss solutions to be considered and then a cost analysis can be done.</p> <p><u>Internal Audit - Audit topics</u> Griffin external topics have listed and worked out any issues the document has been compiled and AT will send this to the committee. The Auditors have remained the same.</p>			

<p>AUD I.5</p>	<p>Risk Register</p> <p>The Chair has entered the Student Committee recommendations for the committee’s consideration. The committee Approved the changes, and these will be further agreed at the next Audit meeting when the committee is quorum</p> <p>The student committee recommended two new risks for the register:</p> <ol style="list-style-type: none"> 1. <u>Failure to recruit and retain staff.</u> The committee agreed that it is a matter for the SFP to do an assessment of the initial risk including the effects on curriculum morale and also mitigation plans. 2. <u>Major incident business recovery.</u> Plan emerging but no assessment of the size of the risk and the mitigation/recovery plan has been developed. Size of the unmitigated risk and the risk after mitigation. 	<p>SFP to do assessment</p> <p>SFP to do assessment</p>	<p>SFP</p> <p>SFP</p>	
<p>AUD I.6</p>	<p>External Audit</p> <p><u>To consider the auditor’s management letter</u></p> <p>AT reported that the management letter has only been received today as the Audit was later than expected this year. The Audit went well and there were no significant findings. They had picked on 4 items 2 of which were observations, these are listed below:</p> <p><u>Current findings</u></p> <ul style="list-style-type: none"> • Update the Trustee members on Companies House and ‘Information about school’s’. AT the Clerk and SF had worked collectively before the Audit and updated all of the information. When a governor leaves, their exit date needs to be agreed and then they should be removed from Companies House within 14 days. They chair agreed that broader action needs to be taken to solve this reoccurring issue. • Trust Handbook – The FGB is recommended to discuss and minute the finances at least 6 times a year. Currently there are only 4 FGB meetings a year. The budget report is issued but the Chair feels that it is a minuting issue and the governors do discuss the information. The minutes need to be adjusted to ‘The Budget report and Management Accounts’ and is also on the agenda. 	<p>Change the terminology of the agendas</p>	<p>Clerk</p>	

	<ul style="list-style-type: none"> • VAT is claimed back termly, and the Auditors recommended this is done quarterly, if it is done more regularly there is better cash flow. AT has agreed to do it quarterly. Low level recommendation. • Staff Trustee. They recommend that the ESFA recommendation that the only staff trustee should be the Headteacher. The chair informed that this had recently been considered by both FGB and Education Swanage’s AGM and both were of the view the any potential downsides were out-weighed by the advantages of having staff trustees. The meeting recommended that this be referred to the FGB and that ultimately this is not a matter for Governors but one for the Members and would require a two thirds majority. <p><u>Accrued Income</u></p> <ul style="list-style-type: none"> • AT reported that there is little accrued income. Grants for PP can be accrued. Has been given green. • Capital grants have been given green. • Opening balances not posted correctly, AT had agreed with the Auditors to check the figures and was given a tick. • Pensions opt-out forms – Several exam invigilators are over the retirement age and as such there was no need to complete a form. Some staff are cross-boundary and qualify. All other staff who have opted out have now completed an opt out form • Trustee declaration forms – there was directorship missing but this was given green <p>The Chair thanked AT and Karen Goode for their hard work.</p>			
<p>AUD 1.7</p>	<p>Internal Audit</p> <p><u>Payroll</u></p> <p>AT reported that this was a positive audit and there is a robust system in place. The Auditors had only two recommendations:</p> <ul style="list-style-type: none"> • Payroll systems to be triple checked by a third party. AT explained that it was already double-checked, and a third party would not be aware of what they were looking at. The Auditors found no faults with the payroll • Payroll procedures – The is a dual review in place and as such there is no process that could be easily bypassed. AT explained that once payroll is locked it cannot be changed. The 			

	<p>headteacher or Deputy Head could sign off the payroll as well, but AT didn't think it was worthwhile.</p> <p><u>Fraud</u></p> <ul style="list-style-type: none"> • Supply bank details – AT and Karen check for Internet fraud with supplier bank details and call the company direct to check if it has been changed before making any payments. • Staff Bank Details – AT checks their bank details if they have changed their bank accounts by checking with the direct and then prints off a monthly report with any changes highlighted. • Cyber Security – The Auditors checked TSS anti-fraud framework and were pleased with the systems in place. <p>The Chair thanked AT and Karen Goode for their hard work.</p>			
<p>AUD 1.8</p>	<p>Financial Controls Review <u>To receive report on financial controls including the card system</u></p> <p>AT reported on the Card system, he has reviewed the limits and where dual control is required. It was decided in SFP committee that it should left as it is. There were a couple of points discussed:</p> <ul style="list-style-type: none"> • Additional debit cards to teaching staff – this wouldn't be an option as it cuts across control of the funds and if a teacher leaves then they would need to be cancelled and new staff would then require one. • Pre-paid card – Different companies operate with varying fees. There is an element of risk if the card is lost but it would be pin encrypted. Positive as there would be no cash handled and would be useful for overseas school trips. • The Auditors would like AT to consider other options. The Governors discussed a company called WISE whereby you can preload the card and withdraw money, it operates more like a bank account. It is primarily free and makes money on foreign exchange. AT agreed to investigate WISE further and report back. <p>The headteacher joined the committee following a meeting 6.10pm</p>	<p>Investigate WISE and report to SFP</p>	<p>AT</p>	<p>SFP</p>

<p>AUD I.9</p>	<p>Academy Trust Handbook</p> <p>The Chair issued a note to all Governors with the Academy Handbook changes, these were discussed:</p> <ul style="list-style-type: none"> • Trust Quality descriptions - The Chair asked all the Governors to familiarise themselves with the Annex which was attached to the report. • Estate Safety and Management – As trustees should be assured that they guidelines are being followed. AT confirmed that within SFP committee it was discussed and there is a robust plan. Buildings and premises document has been written by AT and this and the infrastructure will be discussed at the next SFP Committee. • Payroll Sacrifice – Electric vehicle use the money would be deducted before tax. Higher taxpayers can benefit more. Preparation and system may be useful to have in place if a member of staff requests. • Related party transactions – There was a minor point relating to current procedures and the threshold needs to be changed to £40,000 	<p>Change threshold on related party transactions</p>	<p>AT</p>	
<p>AUD I.10</p>	<p>Committee Review and Effectiveness</p> <p>The Chair has drafted a report from the Audit committee regarding the annual report, there are some changes still to be made.</p> <ul style="list-style-type: none"> • Structure and procedure - Management response has been issued. <p>There were some concerns identified:</p> <ul style="list-style-type: none"> • Staff Trustee Membership – Formally report to FGB • Discrepancies in Companies House ‘Get information about school’ - Formal procedures need to be updated for non-financial returns. It was noted that during the change of Clerk, there were some items missed. This has been addressed and a system is now in place, so it is done on time. • The Chair found a requirement that the Audit Committee ensures that the information that is submitted to the DfE that affects funding is accurate and complies with the funding criteria. This currently not formally done. The budget is uploaded, and this service is provided by Griffin as the external auditor they double-check also. As a committee they need to ensure that the figures are accurate and submitted, it was agreed that AT could provide a brief report giving reassurance at each Audit committee. 	<p>Brief report on the Budget at each Audit committee</p>	<p>AT</p>	<p>Spring I</p>

	The committee agreed (other than the points above) that the internal framework of controls of financial and non-financial risk are adequate.			
AUD I.11	<p>Review findings of EFSA's Assurance programme</p> <p><u>2.3 - Financial statements regulatory opinions</u> Information not reported on websites in a timely manner and Fixed asset registers not being updated AT reported that the fiscal asset register is logged, and they use Asset Tiger for mainly IT Information which is also logged. The Auditors were assured and happy with the information provided.</p> <p><u>2.4 - Information is not provided to the Audit and Risk Committee.</u> The Committee were reassured that all information is provided to the Audit Committee.</p> <p><u>Free Financial Management review</u> Trust maintaining and publishing the register of business and precuring interest of trustees and government structures on the website. ESFA reviews the committee needs to make sure it is included in the reports to the Trustees.</p> <p><u>Trusts publishing governance arrangements on its website</u> EFSA are keeping a close eye on the planning. NCP funding will be agreed in Spring/summer, a lot of time is spent on it.</p>			
AUD I.12	<p>Any Other Business</p> <p>National Insurance changes AT to inform the SFP committee what the savings will be in the current year as employees are required to pay less for National Insurance following the Budget. Also, what extra funds will be available to the school.</p> <p>Minimum wage increases in April but with the 6.5% pay increase already in effect it should not cause much of a change to the budget.</p>			
AUD I.13	<p>Confidentiality</p> <p>No items were deemed to be confidential</p>			
	<p>Next Meeting</p> <p>The meeting closed at 6.42pm</p> <p>The next meeting is to be held on 28th February 2024</p>			