

QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

Minutes of a meeting of the Governors' Risk and Audit Sub-Committee held on 15th November 2021 at 5.30pm held via Zoom.

Present: Miss R McMann (Governance Professional)
Mr M Worrall
Mrs T Boving-Foster
Mr G Miller
Mrs K Rae (Chair)
Mr J Ray

Quorum per Terms of Reference - 3 Governors

Governors present: 5

SLT present: Mr Buckland, Dr Mawson, Mr Dawson, Mrs Scott

Visitors: Mr Ian Thompson, External Auditor of Saint & Co who was present until the end of item 3.

1. Apologies for absence

Apologies were accepted for Mr Airey (work related).

2. Declaration of Interest in Agenda Items

There were no declarations of interest in agenda items.

3. External Audit, presented by Mr Thompson

Mr Thompson began by saying that the audit had gone very smoothly this year and that the control systems in place are clearly working very well. With regards to the Management Letter, Mr Thompson went through the following points:

- *Related Parties transaction – there is Governor who is a partner (albeit 1 of 75 partners) at Brabners' law firm who were employed to undertake some work. It is felt for clarity and transparency purposes this should have been reported to the EFSA. Mrs Rae, whilst accepting this point, wished to provide some context. A number of legal firms were contacted as the advice needed was very specific and Brabners genuinely were the best fit. Additionally, it was hoped that it would have been limited advice and of low value and thus negating the need to fill out the online form. However, as time went on this has not been the case and the value has exceeded the £5,000 but; this can be corrected. Mrs Boving-Foster supported this, saying it was not expected that the fees would end up being so much. **Action point: online form to report this to the EFSA to be completed.***
- *Members and Trustees – feels that the school is now in a good position and working towards where it should be but still a low risk point as best practice*

would be that no Members are also Trustees. Mrs Boving-Foster reported that the Articles of Association are a work in progress (the draft is awaiting DfE approval) and have kept it as the majority of Members being non-Trustees. However, the Chair of Trustees is also a Member, partially due to difficulties in recruiting new Members and; also to ensure good communication between the two groups. Additionally, this is allowed under the new handbook so long as the majority of Members are non-Trustees. Thus, the plan is to work on getting new Members before any further changes are made. Mrs Rae agreed with Mrs Boving-Foster, adding that when she and Mr Hansford stepped down to comply with regulations, there would not have been enough Members had Mrs Boving-Foster in her capacity of Chair of Governors stepped down as well. **Mr Thompson felt that this was a very reasonable response and would add in this explanation.**

- *Members resigning in the last 12 months should have their details displayed on the website.* Mrs Rae highlighted that the Member in question is also a Governor and thus, his details are already there. Miss McMann also stated that there was some confusion as to whether the Chairs of the Finance and Education committees were ever actually legally Members in the first place and that was why they had not been included in this list. **Action point: this is to be removed from the Management Letter.**
- *Related Parties Form – there is one outstanding form to be completed and whilst it accepted that this Governor is unwell and on long-term absence, their form in the previous year did have a transaction on it and this is why it is a low point on the letter.* It was concluded that there have been no transactions in the past year with Cumbria Young Farmers and the school. **Action point: this is to be removed from the Management Letter.**

To conclude Mr Thompson was happy to submit the accounts with a qualification due to the ongoing CIF issue in exactly the same way that the accounts were submitted last year. Mrs Rae agreed that this is the best way to proceed because not putting anything different to last year. Also, the school has corresponded with the Charities Commission and kept them informed of any updates.

Mr Thompson moved onto the Statutory Accounts. There is a difference of £32,000 between the Statutory Accounts and Management Accounts. This is owing to the fact that the snack bar and decking expenditure has been moved into the fixed assets to depreciate over a ten year period. It was originally put through the Management Accounts to enable Mrs Scott to keep a close track of expenditure.

Mrs Rae made the following points:

- It would be useful to have key as to which Governor is in which committee
- Mr Martin needs to be added to the SLT list
- Move the paragraph about terminology of Governors and Trustees further on. *Mrs Boving-Foster answered that it was her desire to address and be clear on this right from the beginning and would still like it to be as early on as*

possible. It was agreed to move this further down to underneath the details of Trustees.

- Reserves Policy – clarity needed that all Governors are happy with the figure of £200,000. **It was unanimously agreed that all were happy with this amount.**
- For the purpose of Mr Thompson, Mrs Rae wished that the committee confirmed they are comfortable that the school is a going concern. **It was unanimously agreed that all the school is a going concern.**
- Suggestion that more detail in the Governance Statement is given on the internal audit (i.e. what areas were looked at and what steps have been taken). **Action point: Mr Ray was happy with this and this will be added.**
- Note 12 – confirmation that all were happy with the value of £8.89 million carried forward and that school were not aware of any major issues which would alter this figure drastically. **It was confirmed that the figure was realistic and all present were in favour of this.**
- Related Parties: remuneration is not a related party. Those who have relatives employed by school got the role in their own right and thus not a related party transaction. *Mr Thompson answered that this is just included for clarity purposes, without giving out any personal details. However, he added that this can be removed if feel strongly about it.* **It was agreed that as remuneration is not a related party that this should be removed.**

Thanks were given to Mr Thompson and his team for their time. Mr Thompson also wished to give his thanks to Mrs Scott for such a smooth audit. Mr Buckland added that it has been reassuring having Mrs Scott at the helm and the fact that this is such a good audit speaks volumes about her way of working. On behalf of Governors, Mrs Rae and Mrs Boving-Foster gave their thanks to Mrs Scott and the whole team.

Mr Thompson left the meeting.

4. Internal Audit Update

Mr Ray reported that the second internal audit is scheduled for next Thursday to look at 6 months worth of accounts up to the end of August 2021. The intention is to report back before Christmas.

He said that Saints are happy with one internal audit per year and queried if it was an EFSA requirement to have two per year? Mrs Rae answered that it is possible to conduct one annually, however, it is perhaps easier to do two as otherwise you are trying to cover a whole year in one go.

5. Risk Register and the Plan to Update This

It was confirmed that the last time the Risk Register was updated and signed off was the December 2019. Thus, it was felt that it is time to update this. There was a

discussion as the best way to proceed that is time efficient, not putting additional pressure on SLT, and does a thorough job looking at all areas in detail.

It was agreed to circulate the current Risk Register to all members of this committee. Mrs Rae would then give each Governor a section to look at and the relevant member of SLT would answer any questions. The next meeting of this committee will be brought forward to 28th February 2022 to discuss this.

Please note that on reflection after this meeting, it was deemed to be more appropriate for SLT to amend the Risk Register and send it out to the committee for questions / comments / suggestions.

The next meeting date is 28th February 2022 following the Finance and Pay meeting to be held via Zoom.

The meeting closed at 6.20pm.