

## **Report from the Audit, Risk and Personnel (ARP) Committee to Engage Trust Board 13<sup>th</sup> March 2017**

The Trust F&P committee has continued to meet regularly to scrutinise the accounts of the Academies within the Trust and those of the Trust itself. The last report to the Board was produced in November 2016 and this report will focus on the scrutiny of accounts from December 2016 until the present time.

### **Governance**

During this period, the chair of the Finance and Personnel Committee was passed to Mark Winson-Pearce. Mark proposed that the committee be renamed in line with the Academies Financial handbook (2016) as the Audit, Risk and Personnel committee. Although an Audit Committee is not strictly required, as the trust does not have an income over £50m, this was with a view to having clear naming for the scope of the committee and with an eye to the future.

In the last period, the ARP committee attendance has been good and members are fully engaged in the content and outcomes of the meeting. The Board should note that Barbara Johnson joined the committee in December.

### **Issues for attention**

#### 1. Cash flow, Income and Expenditure.

As previously reported, there was a predicted intra-year and year-end cash flow issue, which was originally predicted to be over £700,000 negative at year-end. There were actions put in place that included asking NCC for a payment of £435,000 for prior year services and a restructuring of staff across the Trust. The payment from NCC was made in December and the restructuring and cost management activities continue.

In the February ARP, it was reported that suppliers would not be paid in line with their expectations in February and March and that the Trust would be negotiating payment plans. It was also reported that the year-end cash flow position would be in the region of £1m negative. The CEO presented potential cash flow relief in the form of advances for future business from NCC and some extra recovery cost saving options, some of which are now being implemented. The Business Director was asked to present explanations as to the basis of the situation and more importantly, what options there were for recovery.

This is an exceptionally serious situation and although the reports given to ARP were indicative of expenditure issues, they did not give warning to an overspend of this magnitude.

The Chair of ARP recommends to the board that it take immediate action to fully understand the financial position and remedy the issue, considering all options including consideration that the Engage Trust remains a "going-concern".

### **Items for note**

#### 1. Policies

The following policies were approved in the last period;

- i. Whistle blowing
- ii. Pay
- iii. Performance Management
- iv. Improving Attendance and Ill Health Management
- v. Travel, Subsistence and Excessive Mileage

- vi. Revised Trust Finance Handbook December 2016
- vii. Trustees and Governors Allowances
- viii. Grievance Policy

## 2. Performance Dashboard

It was agreed to produce a performance dashboard for the two academies for the ARP and for the Board. The dashboard would contain KRIs and KPIs and allow the ARP and Board to compare performance. Indicators would include financial performance, educational performance and staff well-being. ARP would expect to have the dashboard available at the next board meeting.

## 3. Personnel

Majority staffing issues resolved through staffing restructure at SSSfN with some planned redeployment staff to Assessment centres and planned recruitment SSSfN Head of School and Compass Asst Head for Sept 2017.

Pinetree leadership structure presented and approved with current Deputy seconded to Head role to ensure smooth transition during summer term.

Mark Winson-Pearce, Director  
Chair Audit, Risk and Personnel Committee