

East Midlands Academy Trust

**Minutes of the Audit and Risk committee meeting held on the 3rd of December 2019,
09:00 at Northampton International Academy, NN1 1AA**

These minutes reflect the order of the agenda, not necessarily the order of discussion

Agenda item	Discussion	Action
1. Welcome and introductions	<p>Present: Richard Burkimsher (Independent Chair) Fiona Wheeler (Trustee) Ayo Salam (Trustee) John Harris (Trustee) via telephone to agree items 7, 8 and 9</p> <p>Paul Wheeler (Finance and Operations Director: EMAT) Joshua Coleman (CEO: EMAT)</p> <p>In attendance: David Hoose – Mazars (for item 7) Carole Kirby – minutes Michael Street (potential Trustee)</p> <p>RB welcomed everyone to the meeting, reminded all of the need for confidentiality until the minutes are signed off and introductions were made.</p>	
2. Apologies	<p>Apologies had been received, and were accepted, from: Matt Johanson: (Trustee) Andy Davis (Trustee)</p> <p>Callum Brown (Head Teacher: Orchard Academy) was not present as the meeting venue had been changed to NIA at short notice due to the winter vomiting virus.</p>	
3. Quoracy	<p>The Clerk confirmed that the meeting would not be quorate until an additional Trustee was able to call in via conference call.</p>	
4. Declarations of interest	<p>The Chair called for any additional declarations of interest pertaining to this agenda not already recorded on the annual Register of Interests.</p>	

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	<p>It was noted that RB is yet to complete a Declaration of Interest form for the academic year 2019-20. CK will ask CN to send one out.</p> <p>MS declared that he is a Trustee for the Beds and Northants MS therapy centre.</p>	<p>CK – ask CN to send RB a DOI form (post meeting note: Done)</p>
<p>5. Minutes of ARG meeting held on the 23rd of July 2019 & matters arising not appearing within the actions</p>	<p>The minutes of the meeting held on the 23rd of July 2019 had been distributed with the agenda for this meeting and were agreed to be an accurate representation of the meeting.</p> <p>There was a short discussion about whether the standing agenda item ‘schools at risk’ should be renamed. It was agreed that this item would be changed to ‘School Discussions’. There were no other matters arising.</p> <p>The minutes were duly signed by RB.</p>	<p>CK – amend standing item ‘schools at risk’ (post meeting note: done)</p>
<p>6. Actions arising from the meeting held 23.07.2019</p>	<p>Actions:</p> <p>i. Item 7: RB to write audit report on 18-19 for the TB and to meet with PW to agree scope.</p> <p>Trustees discussed the content and purpose of this report and agreed that it should report on the work of this committee over the year rather than present as a repetition of the auditors’ work. RB confirmed that the report will be ready for the next Trust Board meeting.</p> <p>A Trustee asked for an update on GDPR. JC reported that the ICT and Infrastructure Manager had been dealing with this but has now left. The new Manager, once appointed, will pick this up. Although the Trust acknowledges that some matters are outstanding there is nothing major to do.</p>	<p>C/F</p>

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	<p>A Trustee asked if there is a method for capturing data breaches. Yes.</p> <p>ii. Item 8: Add risk register as standing item to agendas - CK</p> <p>iii. Item 8: investigate Business Continuity Plan Policy/statement and present to committee at next meeting – JC/PW</p> <p>The Business Continuity Plan is in the process of being updated. The work done so far was sent out with the agenda for this meeting. PW gave a further update.</p> <p>A Trustee asked who will complete this work? PW confirmed that the new ICT and Infrastructure Manager will complete the work although the central team and all Head Teachers will have an input.</p> <p>iv. Item 12: fix venues in schools for board and committee meetings and invite HTs to A&R meetings to present on risk and arrange tour of school for committee/board - CK</p>	<p>Done</p> <p>C/F</p> <p>Done</p>
7. Annual Report and Accounts	<p>The report had been distributed with the papers for this meeting. DH went through the Auditors Report and confirmed that the report will also be submitted to the ESFA. DH informed the committee that the process had gone very well and went over the highlights contained in the report.</p> <p>Executive Summary: there is nothing critical missing in this section.</p> <p>Significant risks: DH confirmed that there is nothing to flag in this section and there is nothing for the attention of this committee. On page 7 there is much narrative around pensions accounting but this is not an issue for the Trust. The scheme actuaries will</p>	

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	<p>provide a summary model of the TPS and it is expected there will be some commentary with regard to salaries. This is because the scheme actuaries use different assumptions to the auditors but it is nothing to be concerned about.</p> <p>DH confirmed that recent court cases have resulted in increased pension liabilities; this has been included in the report.</p> <p>There is a potential adjustment included in section 5 to address matters with regard to one of these court cases.</p> <p>On pages 9 to 10 the only significant matter discussed was the accounting at NIA as the building was not yet included in the accounts; this will happen once the lease is finalised with the DfE. DH confirmed that the auditors were happy with the accounting procedures and policies.</p> <p>There was nothing to bring to the attention of the board with regard to regularity assurance. This is a very healthy picture for the Trust and the Finance Team should be congratulated for the work they have put into this process. A Trustee asked what action the ESFA might take if an irregularity were found. They would write to the Trust and monitor more closely. The report is used to ascertain risk. A discussion followed about the possible irregularities that could be found including those around gifts and hospitality. A Trustee asked if the Trust has a policy in place banning alcohol at school events. Yes.</p> <p>At page 11 no high or medium recommendations were made around school accounts. PW confirmed that the accounting systems had had some bedding in problems but this was now resolved. DH commented that some VAT returns had been filed late but this is not happening now.</p> <p>With regard to governance, DH noted that there exists some overlap between Members and Trustees and explained how the DfE would prefer a model where the great majority of Members are not also Trustees.</p>	

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	<p>JC confirmed that the Trust has been devising a strategy to separate Members from Trustees and this is in hand.</p> <p>DH confirmed that all internal control recommendations (page 16) have been addressed.</p> <p>Section 5: score sheet. There are no adjusted misstatements which means that the Board can place reliance on the figures provided by the Finance Team in the management accounts.</p> <p>The rest of the report provides a regulation letter, which is a standard template.</p> <p>JC noted the process had been more difficult last year and congratulated PW and the Finance Team on the fact that the audit had been a smooth process this year. The Trustees also thanked PW and his team for their work over the last 12 months and for the fact that there have been no significant findings. DH confirmed it had been a smooth process.</p> <p>A Trustee asked if there are any future matters that the Board should be looking out for. DH directed the committee to the internal scrutiny report on pages 31 and 32. This is an internal audit through this committee or internal auditors which includes, not just financial risk, but other items such as the risk register, HR matters and ICT. DH also confirmed that he notes here refer to the Charity requirements; this is often forgotten in MATs.</p> <p>A Trustee commented that the items contained on page 37 would be a useful tool to the TB and this committee in particular. Could the committee turn this into a governance checking mechanism? JC thought this was a very good idea.</p> <p>Accounts: DH gave the committee assurance that the accounts look healthy.</p>	<p>This committee to establish working party (with the HoG&S) to look at creation of governance checklist using the report as a framework</p>

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	<p>PW gave an overview: The Statutory accounts tie into the period 12 accounts. In the current year management accounting will reflect the GaG pooling and will tie into the Statutory accounts more strongly to save work later in the year and to ensure the management accounts feed into the audited accounts in a sensible way.</p> <p>The Finance Team has worked closely with the auditors before the year end to ensure the process was not too difficult.</p> <p>The accounts present a slight deficit; there are no related party statements and salary levels all provide value for money.</p> <p>A Trustee noted that it is important to acknowledge how far the Trust has moved in the last year.</p> <p>A Trustee asked if there are any areas for improvement.</p> <p>DH confirmed the process had gone well and for next year the Trust just needs to make sure that any labels used by the auditors are understood by the Finance Team staff so they can respond quickly. PW confirmed that this is working well and that the auditors had been very helpful and thanked DH for getting the report finalised in good time for this meeting.</p> <p>A Trustee asked how the Trust's attendance figures (for Trust meetings) compare with other MATs. In general, the main Board meetings are well attended but the Trust should ensure that committee meeting attendance is increased although there is not usually an issue with quoracy. DH reminded the committee that all attendance figures are published annually on the website and that Trustee attendance would be examined as part of any MAT inspection.</p> <p>All attendees recognised the need to recruit additional Trustees.</p> <p>A Trustee asked if the Trust is obliged to provide a viability statement. Not at the moment. In the future, a statement will be required and this will require some work for all Trusts.</p>	

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	<p>A Trustee asked whether future reports might be made easier to read with iconography and pictures. DH explained that the report is more of a compliance document; it is possible for the Trust itself to produce an Annual Report although it should be mindful of cost in doing so.</p> <p>The committee thanked DH for his firm's work and his attendance at this meeting. They expressed the view that the report had been very helpful and had offered reassurances that the Trust is well run.</p> <p>DH left the meeting at 09:55</p>	
8. Auditors Management Letter and Management Representations Letter	<p>The letters had been distributed to the committee with the agenda for this meeting. It was agreed that they should go to the Trust Board for signature.</p>	Add to TB agenda: CK
9. Internal audit tender	<p>PW advised that a more structured tender has now been written and invited RB to meet with him to agree which items should be covered. A discussion followed with regard to keeping the internal and external audits separate and distinct.</p> <p>The committee agreed that PW should meet with RB before the annual report written by RB goes out.</p>	PW and RB to meet to agree scope of internal audit tender
10. Risk Register	<p>PW reported that all Primary School risk registers have now been updated; work on the registers at NIA and PWS is in progress. The Trust is keen to ensure that all schools are using the risk register as it is a very useful resource. PW stated that the Trust may have to bring in extra resources to get this moving; the board will be updated at their next meeting.</p>	

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	<p>A Trustee commented that it would be good to prioritise this as it is now a requirement to hold a risk register under the ESFA and if extra help is needed, it should be brought tin ASAP. The Trustee also commented that its use must be embedded in all schools and it should be brought to monthly meetings with Head Teachers as an expectation. JC confirmed that the Trust is making this a priority.</p> <p>10:30 meeting quorate as JH joined via telephone. The following matters were discussed and agreed whilst quorate: RB, CK and JC recapped matters requiring a quorate decision and other items that had been discussed today. The committee reaffirmed that they are happy to approve the accounts for presentation to the Board, that the letters of representation (x2) should be put to the board for signature and that RB and PW should work together to agree the scope of the internal audit tender.</p> <p>JH left the meeting at 10:45.</p>	
11. Schools discussion	There is a confidential minute at this point (CM01).	
12. Any Other Business	<p>Two Trustees had recently attended an Academy Ambassadors event in London. Following that event, a question arose about whether the Trustees know enough about the schools' performance and their curriculum objectives and implementation. Ck advised that Trustees should make use of GovernorHub by accessing the minutes of LAB discussions and also the S&P committee of the TB, along with other relevant documents and training materials which are all stored on that platform. It would also enhance</p>	

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	<p>understanding if Chairs of each committee could present highlights and issues discussed within a committee meeting to the full board.</p> <p>A Trustee asked if subject experts or Head Teachers could be brought to the TB meetings to present for 10 minutes. JC agreed this would be a good idea.</p> <p>There is a confidential minute at this point (CM02).</p>	<p>JC to organise expert/HT presentation to TB esp. on PP, SEND and curriculum.</p>
13. DONM	<p>Dates for the academic year 2019 -20 have been set.</p> <p>03/04/2020 @ 09:30 07/07/2020 @ 09:30</p>	<p>Calendar appointments have been sent</p>

The meeting closed at 11:15

Action log of the Audit and Risk committee meeting held 03.12.2019

Action	Agenda item	Owner
1. Ask CN to send RB a DOI form	Item 4	CK (post meeting note – Done)
2. Amend standing item to 'schools discussion'	Item 5	CK (post meeting note – Done)
3. Write audit report on 18-19 for the TB and to meet with PW to agree scope	Item 6	RB
4. Investigate Business Continuity Plan Policy/statement and present to committee at next meeting	Item 6	JC/PW
5. This committee to establish working party (with the HoG&S) to look at creation of governance checklist using the report as a framework	Item 7	This committee with Head of Governance and Safeguarding
6. Add Letter of Representation and Management Letters to TB agenda	Item 8	CK (post meeting note – Done)
7. PW and RB to meet to agree scope of internal audit tender	Item 9	PW/RB
8. Organise expert/HT presentation to TB esp. on PP, SEND and curriculum	Item 12	JC