

**East Midlands Academy Trust Audit & Risk committee**

 Monday 30<sup>th</sup> November 2020 10.00am - Meeting to take place virtually via Microsoft Teams

**First meeting of academic year 2020-2021**

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

Agenda item	Discussion	Action
1. Welcome and introductions	<p><b>Present:</b>  <b>Fiona Wheeler</b> (Trustee)  <b>Ayo Salam</b> (Trustee)  <b>Andy Davis</b> (Trustee)  <b>Asvin Morjaria</b> (Trustee)  <b>Stephen Morales</b> (Trustee)</p> <p><b>Joshua Coleman</b> (CEO: EMAT)  <b>Paul Wheeler</b> (Finance and Operations Director: EMAT)  <b>Monica Juan</b> (Head of Governance &amp; Safeguarding) - minutes</p> <p><b>In attendance:</b>  <b>Nattia Dhana</b> – Management Accountant: EMAT  <b>Munya Mufukare</b> - Management Accountant: EMAT  <b>Dhillan Mistry</b> – Management Accountant: EMAT  <b>Chris Rising</b> - Internal Audit Director: Macintyre Hudson  <b>David Hoose</b> - External Audit Director: Mazars East Midlands</p> <p>MJ welcomed everyone to the meeting and reminded all of the need for confidentiality until the minutes were signed off.</p>	
2. Apologies	<p><b>Bernard Weiss</b> (observer) apologies had been received and were accepted.  <b>Matt Johanson</b> (Trustee) was absent.</p>	
3. Quorum	<p>The clerk confirmed that the meeting was quorate.</p>	
4. Declarations of interest	<p>The Clerk called for any additional declarations of interest pertaining to this agenda not already recorded on the annual Register of Interests.</p> <p>Not interests were declared</p>	
5. Election of Chair & Vice-Chair	<p>Asvin Morjaria was elected Chair.  Andy Davies was elected Vice-Chair.</p>	
6. Minutes of ARG meeting held on the 16/07/2020 & matters arising not appearing on the Action Log	<p>The minutes of the meeting held on 16/07/2020 had been distributed with the agenda for this meeting and were agreed to be an accurate representation of the meeting.</p> <p>As the meeting was taking place virtually the physical signed of the minutes was deferred until the committee was to meet again in person.</p>	

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7. Action Log from the meeting on 16/07/2020	1. Include salary information on website - <b>DONE</b> 2. Include extra columns in risk register - <b>DONE</b> 3. Circulate new ARC report and include in next agenda- <b>DONE</b> 4. Recruit trustee with A&R expertise to become new Chair- <b>DONE</b> 5. Upload ratified policies to EMAT website- <b>DONE</b>	
8. Annual Report & Financial Statement	<p><i>EMAT Annual Report and Financial Statements paper had been distributed with the agenda for this meeting.</i></p> <p>PW presented the highlights of the Annual Report to trustees and praised the work that ND had done compiling the information in the document.</p> <ul style="list-style-type: none"> <li>• All schools had maintained their financial positions.</li> <li>• NIA financial recovery plan had been successful.</li> <li>• £98k had been spent in COVID19 resources.</li> <li>• PWS investment was delivering the expected results.</li> <li>• Ofsted results had improved across the group.</li> <li>• SAA had delivered a surplus.</li> </ul> <p>There were no questions from trustees.</p> <p><b>Trustees unanimously agreed to adopt the EMAT Annual Report and Financial Statements</b></p>	
9. Audit Reports	<p><i>The External and Internal Audit Report papers had been distributed with the agenda for this meeting.</i></p> <p>DH presented the external audit report to the committee and confirmed a complete bill of health in all areas of the report. DH explained that the process had been very straight forward and praised the finance team for completing the whole procedure remotely.</p> <p><b>In response to a question from a trustee regarding what could have been done better</b> DH explained that there wasn't anything crucial to highlight. Compared to other trusts, EMAT levels of compliance with the Academies Financial Handbook were very good and the piece around governance was very robust.</p> <p>JC praised ND for transforming the report into a very professional document.</p> <p>The committee thanked DH for the report.</p> <p><i>DH left the meeting at 10.43am</i></p> <p>CR presented the internal report to trustees and confirmed that there were no major weaknesses in the Trust's risk management, control and governance processes. There were some areas of enhancement identified although there were no significant weaknesses.</p>	

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	<p>CR confirmed that all areas identified during the mid-year internal audit had been successfully addressed.</p> <p><b>Members of the committee wanted clearly recorded that</b>, regarding the mid-year internal report previously commissioned by trustees around the budget setting process, and after having received the current audit reports, <b>trustees were happy to conclude the matter.</b></p> <p><b>In response to a question from a trustee regarding whether all actions had been completed around the implementation of recommendations within the Risk Management and Fraud Prevention and Detection Arrangements audits</b> PW confirmed that some of those recommendations were part of an ongoing process and at the time of writing the report had not been yet fully implemented.</p> <p>CR thanked the Finance Team for their help completing the report remotely.</p> <p>Trustees thanked CR for the report.</p> <p><b>Trustees unanimously agreed to adopt both reports.</b></p>	
10. Auditors Management Letter & Management Representations Letter	<p><i>The Auditors Management Letter &amp; Management Representations Letter had been distributed with the agenda for this meeting.</i></p> <p><b>Trustees agree for the letters of representation to be formally signed and returned to Auditors.</b></p>	
11. Internal Audit Programme of work	<p><i>The Internal Audit Programme of work report had been distributed with the agenda for this meeting.</i></p> <p>CR presented the internal audit strategy, setting out the plan for 2020/21 and looking at the wider priorities of the five-year strategy.</p> <p>Four areas had been identified for 2020/21:</p> <ol style="list-style-type: none"> <li>1. Utilisation of COVID19 Funding</li> <li>2. Staff Recruitment and Talent Management</li> <li>3. Payroll</li> <li>4. Due Diligence Assurance</li> </ol> <p><b>In response to a question from a trustee regarding whether key financial controls should be done every other year</b> CR explained that different aspects of the strategy were selected to be scrutinise every year. So far, financial controls appeared to be very robust. However, auditors would be happy to bring any element forward if trustees felt it would be helpful.</p> <p><b>In response to a question from a trustee regarding whether developing the audit process and creating the annual report were not a duplication of effort</b></p>	

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	<p>CR and PW confirmed that the current process had been seamless for both auditors and trust and had helped to pull all the information together.</p> <p><b>In response to a question from a trustee regarding the difference between the old and new Financial Handbook processes</b> PW explained that within the new version of the handbook there was an explicit requirement to conduct an independent internal audit report and produce an independent signed report. External and Internal audits had to be conducted by different independent auditors.</p> <p>CR confirmed that EMAT had been significantly ahead of other MATs implementing the new processes.</p> <p><b>Trustees unanimously agreed to accept the plan for 2020/21.</b></p> <p>Trustees thanked CR for the report.</p> <p><i>CR left the meeting at 11.05am</i></p>	
12. Risk Register – Key Risks	<p><i>The Risk Register had been distributed with the agenda for this meeting.</i></p> <p>MM presented the report to trustees and confirmed that the changes requested during the previous meeting had taken place. The dashboard now had been divided to easily identify the COVID19 risks. MM ran through the summary of significant COVID-19 risks</p> <p><b>In response to a question from a trustee regarding risk n<sup>o</sup>.2, around insufficient investment in safety equipment and health and safety arrangements to limit the spread of COVID-19, and whether this was due to lack of available funds</b> PW explained that, although there were sufficient funds available and investment had taken place to mitigate the risk, the residual risk would always be high due to the impact it could have if it was to materialise.</p> <p>Trustees discussed whether wording in the document should change to accurately reflect that the impact of risk n<sup>o</sup>.2 was high due to the volatility of COVID19 spread and not due to lack of funds or investment mitigating the risk.</p> <p>PW clarified that behind the summary presented to trustees there was a very comprehensive report with a great deal of information capturing every school in the trust, with several hundred threads and mitigations linking to the dashboard. Continuous training had been provided to the school staff involved in the maintenance of the document.</p> <p>Trustees requested the introduction of visibility around risk movement. MM agreed to add a system to illustrate whether any risks had increased or decreased from previous versions and a note to explain the movement.</p> <p>Trustees thanked MM for his work.</p>	<p><b>MM to revise COVID risk 2 wording in register.</b></p> <p><b>MM to introduce risk movement in any future risk documents.</b></p>

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13. GDPR - GAP analysis	<p><i>The GDPR – GAP analysis report had been distributed with the agenda for this meeting.</i></p> <p>PW explained that processes had been put in place to enhance GDPR compliance across the organisation and DU, Head of Shared Services was leading on this. An independent report from EvolveNorth had been commissioned; this had highlighted several areas for significant improvement.</p> <p>A GDPR committee had been set up with representatives from all schools, trustees, governors and central team. The committees would look for areas of development and work had already started addressing the points in the report.</p> <p>Training had been identified and would be rolled out to all employees.</p> <p>The trust was expecting to be fully compliant by the end of the current academic year and new systems had been put into effect. EvolveNorth would conduct a further review in the summer term to monitor progress.</p> <p>The work of the GDPR committee would be regularly reported to A&amp;R committee.</p> <p><b>In response to a question from a trustee regarding the resources needed to complete the task</b> PW confirmed that the main task would be to internally train all staff as they were already aware of the current DATA. Adding extra resources could eventually prove to be counterintuitive however DU was adding extra controls to strengthen the system further.</p> <p><b>In response to a question from a trustee regarding whether it would be better to source external support to keep GDPR compliant</b> PW explained that, although there wasn't a recognised DPO qualification at such, DU was currently looking at a DPO intensive course as the recommendation was to have someone responsible for GDPR that was not a director level. PW was the current DPO, this would need to change.</p> <p><b>In response to a question from a trustee regarding whether there was a possibility to join resources with another MAT as a backup option to avoid a single point of failure</b> PW agreed to pursue that suggestion with EvolveNorth as they work across the industry.</p> <p>Trustees discussed the report at length and agreed that GDPR compliance was currently a high risk and should reported periodically to the committee. Trustees requested to see and action plan at the next meeting documenting the journey and suggested to add the GDPR item to the TB agenda.</p> <p><b>In response to a question from a trustee regarding compliance in the education sector and punitive sanctions if a breach occurred</b> SM explained that the education sector had been dealing with GDPR issues for some time and</p>	<p><b>PW to liaise with EvolveNorth to engage with other trusts</b></p> <p><b>MJ to add GDPR item to A&amp;R and TB agenda</b></p>

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	<p>compliance wasn't great across the board. ICO had some capacity issues at the moment, however that should not be an excuse to become complacent.</p> <p><b>In response to a question from a trustee regarding whether GDPR had been identified in the risk register</b> MM confirmed that GDPR would be added as a high risk.</p>	<p><b>MM to add GDPR to the risk register as high risk.</b></p>
<p>14. COVID-19</p> <p>i. Risk Assessment</p> <p>ii. Schools Update – Rapid Improvement</p>	<p><i>JC &amp; PW provided a verbal update</i></p> <p>i. JC reported that the original RAs put in place across all schools were still in place and were being reviewed and amended periodically by senior leaders.</p> <p>There had been little turbulence across the trust, NIA had had to close one week before half term due to the number of staff/students contacted through track and trace.</p> <p>Attendance was high and above the national average.</p> <p>A new remote learning package was currently being build that would allow all schools to operate remotely in the event of another lockdown and serve as a resources bank for all staff moving forward.</p> <p>PW explained that as the spring term would be critical, and therefore resources were being organized to be fully prepared. These included IT resources to deploy to students at home if necessary.</p> <p><b>In response to a question from a trustee regarding several conflicting messages sent to students in one of the EMAT schools about the need to self-isolate and not attend school</b> JC explained that the original decision to halt students attending lessons had been taken following Public Health guidelines which stated that the whole year group needed to self-isolate. However, once the school was able to contact Public Health directly, they were offered different advice. This time only students in close proximity to the positive case would need to self-isolate. By the time the school contacted students again it was too late for some of them to travel to school. Systems had been put in place to avoid a similar scenario happening again.</p> <p>ii. JC informed trustees that a Rapid Improvement team had been created, meeting fortnightly, providing intense tailored support to the schools that were in the Ofsted window. The schools currently supported were SAA and SHEPS.</p> <p>The rest of schools were supported as usual by the School Improvement Team.</p> <p>NIA was working on a new restructure. <b>Please see confidential minute.</b></p>	

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15. AOB	There were no other business.	
16. DONM	<b>Dates for the academic year 2020/2021 have been set.</b> <ul style="list-style-type: none"> <li>• Monday 12<sup>th</sup> April 2021 at 10am</li> <li>• Monday 5<sup>th</sup> July 2021 at 10am</li> </ul>	<b>Invites to meetings had been sent</b>

The meeting ended at 13.32pm

### Action log of the Audit and Risk committee meeting held 30.11.2020

No.	Action	Owner
1.	Revise COVID risk 2 wording in register.	MM
2.	Introduce risk movement in any future risk documents	MM
3.	Liaise with EvolveNorth to engage with other trusts regarding GDPR collaboration	PW/DU
4.	Add standard GDPR item to A&R and TB agenda	MJ
5.	Add GDPR to the risk register as high risk.	MM