

East Midlands Academy Trust Audit & Risk committee

 Tuesday 23rd November 2021 at 10.am **Meeting to be conducted virtually in Teams**

First meeting of academic year 2021/2022

AGENDA

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

Agenda item	Discussion	Action
1. Welcome and introductions	<p>Present: Ayo Salam (Trustee) - Chair Fiona Wheeler (Trustee) Andy Davis (Trustee) David Houghton (Trustee)</p> <p>Joshua Coleman (CEO: EMAT) Paul Wheeler (COO: EMAT) Monica Juan (Head of Governance & Compliance) - minutes</p> <p>In attendance: Daryl Unitt – Head of Shared Services: EMAT Chris Rising - Internal Audit Director: Macintyre Hudson David Hoose – External Audit Partner: Mazars Mark Dennis – Evolve Managing Director</p> <p>The clerk welcomed all and reminded all present that the matters raised within this meeting would remain confidential until the minutes were agreed and signed off. The clerk chaired the meeting until item 6 when the Chair (AS) was elected.</p>	
2. Apologies	There were no apologies.	
3. Quorum	The clerk confirmed that the meeting was quorate.	
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>No interests were declared</p>	
5. Election of Chair & Vice-Chair	<ul style="list-style-type: none"> • Ayo Salam was elected Chair • Andy Davis was elected Vice-Chair 	
6. Minutes of A&R meeting held on the 06/07/2021, & matters arising not appearing on the Action Log	<p>The minutes of the meeting held on 06/07/2021 had been distributed with the agenda for this meeting and were agreed to be an accurate representation of the meeting. Trustees agreed that AS absence should be changed to an apology as he was not aware at the time that he was expected to attend the meeting.</p> <p>The Chair agreed to physically sign the minutes once lockdown restrictions had been lifted.</p>	

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7. Action Log from the meeting on 06/07/2021	<ol style="list-style-type: none"> 1. Review of actions on all internal reports and their impact - DONE 2. Add COVID and top 10 risks to next report - DONE 3. Invite DPO to attend next meeting - DONE 4. Recruit trustee with A&R specialism – ONGOING 	
8. Annual Report & Financial Statement	<p><i>Papers had been distributed with the agenda for this meeting.</i></p> <p>PW presented the highlights of the report and clarified that the document was currently being audited to form part of the final annual report. PW pointed out that the current surplus of £413k across the organisation, reflected a small adjustment from the one reported in September. The big movement in capital assets related mostly to the NIA and PWS.</p> <p>In response to a question from a trustee regarding whether there had been an independent evaluation of the NIA site PW clarified that, as the use of the land was restricted to education, any commercial valuation would be heavily determined by this factor, making it difficult to ascertain the true value of the site. Furthermore, obtaining an independent valuation could be quite costly and as the land was considered a specialist asset, the valuation provided by the Local Authority had been judged to be a good representation of the actual cost.</p> <p>In response to a question from a trustee regarding the way in which the document was written and whether there was more friendly version to share with stakeholders PW confirmed that a reduced version of the document was already shared with stakeholders. This version, which was only an extract of the full document highlighting the key themes, had been already distributed to schools including a message from the head and LAB chair of each school. An example was shared in the screen for trustees to see.</p> <p>Trustees unanimously agreed to recommend the EMAT Annual Report and Financial Statements to be accepted and signed by the Trust Board.</p> <p>Trustees praised the clarity of the document and thanked PW for the report.</p>	
9. External Audit Report - Mazars	<p><i>The External Audit Report papers had been distributed with the agenda for this meeting.</i></p> <p>The Chair welcome DH to the meeting. DH presented the highlights of the external audit and confirmed a clean bill of health for the trust with only minor adjustments suggested in the final recommendations.</p> <p>In response to a question from a trustee regarding whether it was always the same individuals who conducted the audit every year DH explained that it was a balancing act between new team members who would provide a fresh pair of eyes and the senior partners, would remain the same to offer a sense of continuity and consistency.</p>	

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	<p>In response to a question from a trustee regarding the pension deficit and assumptions and whether this was an issue that the trust should be concerned with PW clarified that the trust was dictated by the pension schemes they were currently in, which they were big independent pension management funds. DH confirmed that the auditors didn't consider it a major issue. If this was a concern it would be reported as an error.</p> <p>In response to a question from a trustee regarding whether the committee was covering its remit correctly and covering the right issues DH confirmed that the EMAT A&R committee was already quite sophisticated and ahead of the curve in comparison with other MATs across the spectrum. DH was pleased that cyber risk had been incorporated to the audit as this was one of the major current risks in the education sector.</p> <p>DH praised the engagement of the finance team supporting the audit exercise and PW confirmed that the team had found the process very positive, getting great benefit from the whole exercise.</p> <p><i>DH left the meeting at 10.45am</i></p>	
10. Auditors Management Letter & Management Representations Letter	<p><i>The Auditors Management Letter & Management Representations Letter had been distributed with the agenda for this meeting.</i></p> <p>Trustees agree for the letters of representation to be formally signed and returned to Auditors.</p>	
11. Internal Audit - McIntyre: <ul style="list-style-type: none"> • Annual Report 2020/21 • Program 2021/22 	<p><i>The Internal Audit documents had been distributed with the agenda for this meeting.</i></p> <p>CR presented the results of the internal audit annual report 2020/21 and confirmed that the Trust had adequate and effective management, control and governance processes in the areas examined which should enable the Trust to manage the achievement of its objectives. Some enhancements had been identified to make it the systems more effective in the future.</p> <p>PW confirmed that most of the recommendation named in the report 2020/21 had been already implemented.</p> <p>Trustees discussed at length the 2021/22 programme and noted the priorities for the annual cycle. These were:</p> <ul style="list-style-type: none"> • Safeguarding • Fixed Assets • VAT • IT & Cyber Security 	

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	<p>Following a robust discussion, Trustees agreed that the assurances given around pensions by the external auditors didn't warrant an internal audit in this area.</p> <p>In response to a question from a trustee regarding what the safeguarding audit would entail CR explained that the audit would collate and audit information around procedures within the organisation. Auditors would not visit any of the schools but would request document samples from some of them. The audit would be managed by the central team. Auditors would present recommendations based on the findings.</p> <p>Trustees thanked CR for the reports. <i>CR left the meeting at 11.00am.</i></p>	
12. Internal Audits – Review of actions and Impact	This item had been covered in the discussions during the previous item.	
13. Risk Register - Key Risks	<p><i>The Risk Report had been distributed with the agenda for this meeting.</i></p> <p>DU summarised the highlights of the report and clarified that he would be dealing with the risk register moving forward. An audit of the trust backup systems had been commissioned, the cyber essentials certificated had been obtained by the trust and the cyber essential plus certification was in the pipeline. All of these would be included as mitigations in the current risk register.</p> <p>A Business Continuity Plan for IT had been commissioned with desktop exercises scheduled to take place after the Christmas break. These would enable staff across all sites to learn how to deal with incidents. The desktop exercises would be carried out annually.</p> <p>In response to a question from a trustee regarding whether risk awareness sessions were taking place with all staff DU explained that this was currently taking place, with a training package in place for risk owners. However, significant work needed to be done before achieving compliance. DU agreed to look at a wider offer of training for all staff.</p> <p>Trustees discussed at length the management of the risk register and agreed that, although things seemed to be moving in the right direction, substantial changes still needed to take place. DU agreed to look at developing a more user-friendly system to understand the trust risk appetite and how to manage it.</p> <p>Trustees thanked DU for his report.</p>	<p>Trustees asked to be invited to the exercise</p>
14. GDPR Update	<i>The GDPR Reports had been distributed with the agenda for this meeting.</i>	

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	<p>MD from Evolve North presented his report. He confirmed that the trust had significantly improved its systems and processes during the past year, particularly around the cyber incident response plan which showed great maturity compared with other organisations in the sector. The overall risk assessment had been reduced to medium-low.</p> <p>Following an in-depth discussion around ongoing risk management, trustees thanked MD and DU for their reports and agreed that there had been a significant culture shift within the organisation around GDPR, which appear now to be firmly embedded as its visibility had been greatly highlighted. Trustees were confident cha</p> <p>Trustees requested an update in the GDPR medium risk response plan, alongside a SENTRY presentation.</p>	
15. COVID-19 update	<p><i>JC gave a verbal update</i></p> <p>JC informed trustees that there were still uncertainties about where COVID was taking the country and therefore a risk of another lockdown could not be discounted. Although new accountability measures would be put in place by the new Ofqual Guidance for next year examinations there was a need to have back up plans for TAGs. Although NIA ad PWS had plans in place which were very similar to the previous year, there was not plan in place for the Primary settings.</p> <p>The current spike was now in the downward trend and the usual mitigations were still in place. Schools were in contact with Public Health England which were monitoring the situation.</p> <p>In response to a question from a trustee regarding what lessons had been learnt from previous lockdowns that would help mitigate the impact of another one JC responded that a firm plan was in place to distribute computers and ensure connectivity. Also, there was a more coordinated response to support wellbeing and children and staff. However, behaviour continued to be a challenge as some children were reacting adversely to the constant reintroduction of routines, structures and expectations.</p> <p>In response to a question from a trustee regarding whether there had been backlash from antivaxxers JC explained that there were contingencies in place to mitigate any disruption outside schools and ample communication had been exchanged with stakeholders to clarify the vaccine programme in schools.</p> <p>Trustees thanked JC doe his report.</p>	
16. IFNW	<ul style="list-style-type: none"> • Risk register update – Deep Dive individual risks • Medium risk response plan • Sentry presentation 	

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17. AOB	<p>JC advised trustees that after and one of the AIP had informed that a SRC was not compliant in one of the EMAT schools a review had taken place. This had uncovered that the issue would not have triggered an Ofsted inspection. All SCR were now compliant across all schools.</p> <p>In response to a question from a trustee regarding how the trust could be assured that SCRs would continue to be compliant JC responded that the review would be an ongoing one. This cycle would help to pick up any further anomalies. In addition, all members of staff responsible for the SCR had undergone further training. This had been non-negotiable. After this, all baseline training would be the same moving forward.</p>	
18. DONM	<p>Dates for the academic year 2021/2022 have been set.</p> <ul style="list-style-type: none"> • Monday 4th April 2022 @ 10am • Friday 8th July 2022 @ 10am 	Invites to meetings had been sent

The meeting ended at 12.25pm

Action log of the Audit and Risk committee meeting held 23.11.2021

No.	Action	Owner
1.	Trustees to be invited to Business Continuity Plan exercise	DU
2.	Invite SENTRY to present to trustees	DU