East Midlands Academy Trust Audit & Risk committee

Tuesday 16th July 2020 11:30am - Meeting to take place virtually via Microsoft Teams

Third meeting of academic year 2019-20

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

Agenda item	Discussion	Action
1. Welcome and introductions	**Present:** **Fiona Wheeler** (Trustee) **Ayo Salam** (Trustee) **Andy Davis** (Trustee) **Richard Burkimsher** (Independent Chair) **Joshua Coleman** (CEO: EMAT) **Paul Wheeler** (Finance and Operations Director: EMAT) **Monica Juan** (Head of Governance & Safeguarding) - minutes **In attendance:** **Nattria Dhana** – Management Accountant: EMAT **Munya Mufukare** - Management Accountant: EMAT **Dhillan Mistry** – Management Accountant: EMAT **Alyson Howard** – Internal Audit Director: Macintyre Hudson **Chris Rising** - Internal Audit Director: Macintyre Hudson **David Hoose** - External Audit Director: Mazars East Midlands **Observing:** **Asvin Morjaria** (potential trustee) RB welcomed everyone to the meeting and reminded all of the need for confidentiality until the minutes were signed off.	
2. Apologies	No apologies had been received. **Matt Johanson** (Trustee) was absent.	
3. Quorum	The clerk confirmed that the meeting was quorate.	
4. Declarations of interest	The Chair called for any additional declarations of interest pertaining to this agenda not already recorded on the annual Register of Interests. Not interests were declared	
5. Minutes of ARG meeting held on the 03.04.2020 & matters arising not appearing on the Action Log	The minutes of the meeting held on 03.04.2020 had been distributed with the agenda for this meeting and were agreed to be an accurate representation of the meeting. As the meeting was taking place virtually the physical signed of the minutes was deferred until the committee was to meet again in person.	

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6. Action Log from the meeting on 03.04.2020	1. Write audit report on 18-19 for the TB - **DONE** 2. Present Business Continuity Plan to Trust Board - **DONE** 3. Present paper about governance practice across the Trust moving forward to Trust Board - **DONE** 4. Organise expert/HT presentation to TB esp. on PP, SEND and curriculum - **DONE** 5. Publish COVID19 EMAT Safeguarding Policy Addendum in website - **DONE** 6. Add Key to Risk Register dashboard - **DONE** 7. Present Audit Internal Strategy longer term plan at A&R next meeting - **DONE** 8. Complete management response and distribute to A&R committee for approval/comments - **DONE** 9. Include final Audit Internal report in the next TB agenda for discussion. - **DONE** 10. Prepare A&R committee meeting dates for 2020/21 - **DONE**	
7. Internal Audit Report • Fraud Prevention & Detection • Risk Management	*The Internal Audit report papers had been distributed with the agenda for this meeting.* • CR presented the *Fraud Prevention & Detection report* to the committee. Auditors had focused on remote working and payment authorisation controls and any additional actions taken by management to address the potential fraud risks, which were at higher risk during this time of remote working. Although the trust had correctly identified the significant fraud risks facing schools, some areas of development had been highlighted in the report, three around the design of the controls and one in the application and/or effectiveness of controls, none of them posing high risk. **In response to a question from a trustee regarding the potential risk of 'business email compromised' fraud (BEC) and whether the organisation was vulnerable to it** CR explained that the trust had sound processes in place to deal with that type of risk. PW confirmed that scrutiny was high within the organisation and all transactions had to be approved by him personally before payment was actioned. The Chair asked CR to elaborate on what the risk priorities were for an educational organisation that should be addressed within the next 12 months. CR explained that the most important ones would be a significant change in working environment and the way control processes would be addressed. These would involve enhancing the current arrangements to maximise benefits and making sure the organisation was well prepared for the 'new normal'. AH pointed out that the most uncertain question for the educational sector at the moment was the future of government funding due to the current financial situation of the country as a whole. COVID19 had had a significant impact in financial stability, and although EMAT already had robust systems in place dealing with that type of risk, it was important to keep an eye on how effective	

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	was any future financial planning, not just in the short term but also in the medium and long term. • CR presented the *Risk Management report* to the committee. Auditors had concluded that the organisation had the right building blocks in place to manage risk and concluded that the Board was taking adequate assurances over the effectiveness of controls put in place to manage the risks associates with the organisation. The report had identified a small number of areas that needed development in in order to be fully effective. These would include the enhancement of staff knowledge around risk management, a more formalised approach to the criteria around the level of risk the Board would be prepared to take, and to link the Risk Register and reporting framework to the objectives of the Trust and its schools. The Chair recognised that the journey the trust had taken to reach the current point had been worthwhile and he was satisfied that Risk Management was robust within the organisation. **Trustees unanimously agreed to accept the Fraud Prevention & Detection Report and the Risk Management report.** AH informed trustees that she had finalised the internal audit report on ICFP Budget Setting 2019/2020 commissioned by the Board and confirmed that all points raised on the report had been successfully addressed. AH informed trustees that after reviewing the current budget setting process she was satisfied that the model itself was working much better with greater understanding from the SLT and management team. Therefore, she concluded that the matter had been fully investigated and there was no scope for further challenge. The committee thanked CR & AH for the reports. *CR & AH left the meeting at 12.10pm*	
8. External Audit Report	*The External Audit Report had been distributed with the agenda for this meeting.* DH presented the report to the committee. He confirmed that auditors had not found any irregular matters relevant to the regularity and propriety of the academy trust's income and expenditure. Auditors assured trustees that they would be able to deliver by the current deadline 31/12/2020. **In response to a question from a trustee regarding the change of Academies becoming a 'Going concern' and whether this would have a significant impact on the audit report** DH explained that auditors would have to increase the level	

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	of scrutiny and evidence gathering when seeking assurances from trustees on how they are managing the trust. **In response to a question from a trustee regarding the publishing on the website of any salaries over £100k threshold** DH confirmed that there was expectation that this information would have its own section on the trust website, so the public would not have to search through any documents in order to find it. The committee thanked DH for the report. *DH left the meeting at 11.55pm*	**JC/MJ to include salary information on EMAT website.**
9. Risk Register - Key Risks	*The Risk Register had been distributed with the agenda for this meeting.* MM presented the report to the committee and directed trustees to the dashboard on the front page. **In response to a question from a trustee regarding the current risk factors in premises that were no due to COVID19** MM explained that the residual risk under *'The academy premises are unavailable for occupation for a significant period of time'* was very high due to COVID19. MM demonstrated the process to reach the current level and how mitigation worked. It was agreed that there was a real danger that certain risks could be 'COVID19 whitewashed' and therefore the risk register should have a separate column to show the ongoing risks within the premises, separated from COVID19, in order to provide an extra layer of transparency. **In response to a question from a trustee regarding the quality and monitoring of the current online learning provision and how this could be improved** JC explained that after it became apparent that the online provision would be used long term all resources had been standardised. Secondary schools had used Edulink to engage with students and monitor the provision of work. This had been done by subject leaders and Heads of Department. Across all Primary settings all resources had been standardised but adopting a more holistic approach when engaging with students and parents. Trustees suggested to include online learning to the risk register. The committee thanked MM for his work and agreed that there had been a considerable improvement in the management of the risk register over the last six months.	**MM to include extra columns in risk register showing premises and online learning provision separately**
10. ARC annual report to Strategic Board 31 December 2019	*The ARC annual report had been distributed with the agenda for this meeting.* The Chair presented the report to the committee. RB felt that, over the six years he had been chairing the committee, the group had developed very effectively. Although the report highlighted certain aspects that needed completing, RB	

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	acknowledged that the work over the last six months had improved significantly, including the new Risk Register and review of the A&R ToR. RB was mindful that there were greater responsibilities placed upon the committee and questioned whether three meetings a year were appropriate to address those. Similarly, whether the input of the internal auditors was sufficient in order for the group to meet their responsibilities and objectives adequately. RB agreed to recirculate the final version of report with its recommendations to be considered by trustees. The committee thanked RB for the report.	**RB to send final report. MJ to include in next agenda.**
11. COVID-19 • Risk Assessment • Schools Update – Rapid Improvement	*The final RA had been distributed with the agenda for this meeting.* PW gave a verbal update about the risk assessment that had been put in place for the wider opening of schools. PW informed the committee that schools had not been asked to cover from their own budget any extra expenditure sustained during COVID19. All costs had been managed centrally and the finance team were working on a claim to recover some of the extra expenditure incurred so far. Schools had provided vulnerable families with food hampers so far, once schools were closed for the summer break they would be able to access the electronic vouchers from the government scheme. PW explained that the RTN group was currently working on the logistics around the return on September as there was an expectation that all students will be back in schools. **In response to a question from a trustee regarding how social distancing could be implemented when all students were back in schools** PW explained that social distancing could not be fully implemented however schools would be working with different mitigating elements like year group bubbles, one way system in all buildings, staggered beginning and end of the day and longer lessons to avoid unnecessary movement. Trustees confirmed that some of them had received very comprehensive documents from schools in the trust detailing the return in September. **In response to a question from a trustee regarding any concerns with staff and unions** PW explained that unions had been consulted while the risk assessment was being created and had not raised any concerns. Staff had been kept informed during the whole of the crises and given the opportunity to work from home or in school. No one had been forced to come back to work. Staff had felt supported and in turn been very supportive, thus the trust presenting a very high attendance of staff compared with national. JC gave a verbal update on school improvement.	

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	• PWS had successfully moved from RI to Good • NIA had secured Good and the new HT was implementing a new restructure. • SAA & HAR were now under the management of an Executive HT. SAA was still RI but considerable investment had been put in place. Monthly rapid improvement meetings were taking place. • Shepherdswell had appointed a new HT and moving forward rapidly. A Ofsted deep dive had taken place, results were encouraging. **In response to a question from a trustee regarding the breath of NIA curriculum from September 2020** JC confirmed that none of the schools would be reducing the curriculum from September. However, students would be offered an individual pathway as some of them might wish to drop some subjects due to personal reasons or COVID19 relates issues. This would be closely monitored by the pastoral team.	
12. Governance Review • ToR • Chair of A&R Committee – Next steps	*The A&R ToR had been deferred from the previous meeting and had been distributed with the agenda for this meeting.* **Trustees unanimously agreed to adopt the new Terms of reference.** As the current chair would be stepping down after the meeting a discussion took place around the need to appoint a chair at the next meeting. RB felt that perhaps it would be more conducive for the committee to appoint a chair that was also a trustee rather than an independent one. He believed this could be more effective moving forward as s/he would have a more holistic view and deeper understanding of the issues facing the trust. A robust discussion followed, around the expertise of the current committee and whether its members felt that they had the necessary knowledge to become the new chair. Trustees agreed the need to recruit a new trustee with A&R expertise. **Trustees agreed for the executive to investigate the possibility to appoint a trustee with A&R professional experience rather than appointing and independent chair.** The Chair informed trustees that all EMAT data collated over the course of his tenure as chair would be deleted after the meeting. Trustees thanked RB for his exceptional work over the past six years and wished him all the best on his future endeavours.	**MJ/PW to recruit a new trustee with A&R expertise**
13. Polices review	*All policies had been distributed with the agenda for this meeting.* • *Biometric Data Protection Policy 2020-22 (approval)* • *Whistleblowing 2020-21 (ratification)* • *GDPR/Data Protection update:* The new GDPR policy would be presented to trustees in September.	

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	Trustees unanimously agreed to ratify all policies	**MJ to upload policies to website.**
14. AOB	There were no other business.	
15. DONM	**Dates for the academic year 2020/2021 have been set.** • Monday 30th November 2020 at 10am • Monday 12th April 2021 at 10am • Monday 5th July 2021 at 10am	**Invites to meetings had been sent**

The meeting ended at 13.32pm

Action log of the Audit and Risk committee meeting held 16.07.2020

No.	Action	Owner
1.	Include salary information on website	**JC/MJ**
2.	Include extra columns in risk register	**MM**
3.	Circulate new ARC report and include in next agenda	**RB/MJ**
4.	Recruit trustee with A&R expertise to become new Chair	**MJ/PW**
5.	Upload ratified policies to EMAT website	**MJ**

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