

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

 Monday 28<sup>th</sup> November 2022 at 10.am **Meeting to be conducted virtually in Teams**
**First meeting of academic year 2022/2023**
**AGENDA**

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>Ayo Salam</b> (Trustee) 📞  <b>Martin Conlon</b> (Trustee) - Chair  <b>Joshua Coleman</b> (CEO: EMAT) joined at 10.23  <b>Paul Wheeler</b> (COO: EMAT)  <b>Nattia Dhana</b> (EMAT Finance Business Partner)  <b>Paul Osborne</b> (Governance Support Officer) - minutes</p> <p><b>In attendance:</b>  <b>Daryl Unitt</b> Head of Shared Services: EMAT 📞  <b>David Hoose</b> External Audit Partner Mazars 📞 left at 10.35  <b>Chris Rising</b> - Internal Audit Director: Macintyre Hudson 📞</p> <p>The chair welcomed all and reminded all present that the matters raised within this meeting would remain confidential until the minutes were agreed and signed off.</p>	
2. Apologies	<p>Apologies received and accepted from <b>Nick Bell</b> (Trustee). No apologies received from <b>Stephen Morales</b> (Trustee). <b>Andy Davis</b> had stepped down as a member of the committee.</p>	
3. Quorum	<p>The clerk confirmed the meeting was not quorate and due to this any item, which requires a vote can be discussed but not voted upon.</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> <p>No interests were declared</p>	
5. Election of Chair & Vice-Chair -	<p>AO agreed, to be VC.</p>	
6. Minutes of A&R meeting held on the 08.07.2022, & matters arising not appearing on the Action Log	<p>The minutes of the meeting held on 08.07.2022 had been distributed with the agenda for this meeting and were agreed to be an accurate representation of the meeting.</p> <p>The Chair agreed to physically sign the minutes once the draft watermark had been removed.</p>	<p><b>PO/MC</b></p>

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7. Action Log from the meeting on 04.04.2022	<ol style="list-style-type: none"> <li>1. Trustees to be invited to BCP exercise – <b>Ongoing DU advised that the A&amp;R committee members will be invited to review the current BCP plan. DU added that this is planned for early 2023.</b></li> <li>2. Invite SENTRY to present to trustees – <b>DU advised that due to the full agenda SENTRY were invited to write a statement to the trustees which has been included into the GDPR update agenda item 13. DU noted that SENTRY will be invited to the April meeting.</b></li> <li>3. Send training details to governors &amp; trustees. <b>Done. PO advised there is a governor focused training that can be opened up to trustees who can accept or decline.</b></li> <li>4. PW to send risk strategy to MC. <b>Done.</b></li> <li>5. CR to share audit cycle template. <b>Done.</b></li> <li>6. Send training details to governors &amp; trustees MJ/PO. <b>Done.</b></li> <li>7. Action governance recommendations MJ. <b>Ongoing.</b></li> <li>8. Upload policies to website. <b>Done. Post-meeting note Risk policy added in January.</b></li> </ol>	<p style="text-align: center;"><b>DU</b></p> <p style="text-align: center;"><b>DU</b></p> <p style="text-align: center;"><b>PO</b></p>
8. Finance update: Annual Report & Financial Statement	<p>PW highlighted the following.</p> <ul style="list-style-type: none"> <li>• The initial draft version of the annual reports had been shared at the start of the audit with feedback requested which was actioned.</li> <li>• Surplus achieved at the end of the year was lower than forecast. This was primarily due to exceptional costs accrued by Aspens (catering company) at NIA and EMAT agreed to support with some of the costs. Taking into account the ongoing CV-19 issues and NIA receiving an inadequate Ofsted grade which necessitated additional resources being installed into the school to achieve a surplus is a very good result.</li> <li>• Period 12 management accounts shared with the finance committee still show a similar forecast figure.</li> <li>• These reports should give the trustees confidence the management accounts are reflective of the financial position of the trust at a given point in time.</li> </ul> <p><b>A trustee asked if there is any uncertainty in any of the assumptions in the accounts.</b></p> <p>PW advised there are no areas of uncertainty apart from the post balance sheet event items which are a concern not an uncertainty. The primary reasons for this are due to the unfunded pay rise which were budgeted at 3% but were awarded between 5-10% with EMAT average approximately 6%. Contingencies were used to honour the pay rises. The budgets for next year will be more challenging due to increase energy costs with an expected increase between 100-150%, these have been budgeted for.</p> <p>PW added that it is still uncertain if the pay rises will be fully funded by the government.</p> <p><b>The trustee followed up and asked if there are any off balance sheet transactions.</b></p> <p>PW confirmed there are not and no off balance sheet employment.</p>	

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	<p>PW noted there has also been assessment work done regarding going concern and a letter is ready to be checked and signed by KC.</p> <p><b>The trustees noted the improvements in the accounts, the quality of the reports and thanked ND for her work on these.</b></p>	
9. External Audit Report - Mazars	<p>DH highlighted the following items.</p> <ul style="list-style-type: none"> <li>• The report will be sent to the SFA with the accounts.</li> <li>• The audit is substantially complete with some minor items to finish with no concerns.</li> <li>• The accounts are due to be signed as per timetable and the accounts are expected to achieve an unqualified audit opinion.</li> <li>• Management's going concern assessment and our review of this is to be completed. There are no current concerns regarding this, and the timing is procedural.</li> <li>• Our internal actuarial team's review of the assumptions used within the Trust's LGPS pension valuations is ongoing and will be completed once actioned by Mazars and there are no concerns.</li> <li>• Significant matters discussed with management.           <ul style="list-style-type: none"> <li>Supreme Court ruling in the Harpur Trust v Brazel case               <ul style="list-style-type: none"> <li>A. Management have considered the potential impact of the Supreme court's ruling in the Harpur Trust v Brazel case and have concluded the impact on the Trust is immaterial.</li> <li>B. Northampton International Academy (NIA)                   <ul style="list-style-type: none"> <li>We have discussed the potential impacts of the recent Ofsted inspection of NIA and subsequent discussions with the Regional Schools Commissioner with management.</li> </ul> </li> </ul> </li> </ul> </li> <li>• Internal control recommendations.           <ul style="list-style-type: none"> <li>Priority ranking               <ul style="list-style-type: none"> <li>1 (high) Number of issues identified in 2021/22 zero. 2020/2021 issues unresolved zero.</li> <li>2 (medium) Number of issues identified in 2021/22 zero. 2020/2021 issues unresolved zero.</li> <li>3 (low) Number of issues identified in 2021/22 one. 2020/2021 issues unresolved zero.</li> </ul> </li> <li>These figures are very encouraging and are a credit to all of those involved and are superior to many of the other MAT's DH audits.</li> </ul> </li> </ul> <p>The trustees thanked DH for his feedback and were encouraged the issues unresolved from 2020-2021 for high, medium, and low was zero.</p>	
10. Auditors Management Letter & Management Representations Letter	<p>PW asked the trustees if they had any questions/comments regarding the letters.</p> <p><b>The trustees noted the feedback in DH report regarding the co-operation between Mazars and EMAT.</b></p> <p><b>A trustee asked who will sign these letters.</b></p>	

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	<p>PW Advised that JC would sign the one and KC will sign the other when he signs the accounts. DH added that the letters are standard Mazars format. DH left the meeting at 10.35.</p>	
<p>11. Internal Audit – A. McIntyre Hudson Annual Report 2021/2022  B. Program of work 2022/2023</p>	<p>CR highlighted the following. McIntyre Hudson Annual Report 2021/2022.</p> <ul style="list-style-type: none"> <li>Based upon the work undertaken, in our opinion East Midlands Academy Trust has adequate and effective management, control and governance processes in the areas examined by us which should enable the Trust to manage the achievement of its objectives. Our work, however, has identified some enhancements to the design and / or operation of the system of internal control, risk management and governance to make it more effective in the future.</li> <li>The two areas of possible enhancements were identified these being cyber security (primarily passwords including frequency of changing them and the length of them) and safeguarding. The enhancements to safeguarding are not high risk and safeguarding was given a positive opinion in the report. Action plans are in place for all of the recommendations in the report.</li> </ul> <p><b>The trustee was pleased to hear the positive feedback in the report.</b></p> <p>Program of work 2022/2023 (internal audit strategy 2019-2024)</p> <ul style="list-style-type: none"> <li>Pre meeting with MC and PW was very constructive and useful.</li> <li>The plan was developed through a review of the risk register, direction of travel (what areas had been audited recently) and the key challenges faced by the sector.</li> <li>The focus areas are           <ul style="list-style-type: none"> <li>A. Facility management. The audit will review the arrangements in place for the letting, oversight and management of a sample of facilities contracts from across the Trust.</li> <li>B. Quality assurance. The audit will review how the Trust sets, monitors, and acts upon performance against quality assurance targets (particularly those for teaching &amp; learning) in line with the overall Quality Assurance Strategy.</li> <li>C. Strategic planning. The audit will review the development of the plan, including how outcome measures and KPIs are agreed, how responsibility is assigned, monitoring of delivery and the agility of the process in the light of changing conditions.</li> <li>D. Financial planning and budgetary control. The audit will review the arrangements in place for setting the budget each year and the assumption behind this, together with monitoring performance against budget, taking action, and financial reporting.</li> <li>E. Carried over from 2021/22 VAT review.</li> </ul> </li> <li>Internal Audit Strategic Plan 2019/20 to 2023/24 timings shared.</li> </ul> <p><b>A trustee asked why the Financial Planning and Budgetary Control box was ticked in grey meaning advisory in 2019/2020.</b></p>	

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	<p>CR advised that the 2019/2020 was an advisory regarding the setting of a budget in one school in 2019 and was a one-off request.</p> <p>PW added that in 2019 GAG pooling and creation of the centralised services were initiated and successful in all but one school. The board then received conflicting information and subsequently requested a review. The outcome of the review was that the budget setting process on the whole had been fair and equitable. All areas for improvement from the report were actioned and none of these were malicious. The report was used by the board and passed onto the relevant parties.</p> <p><b>A discussion followed regarding if purchasing and payments should be reviewed in 2022/2023 and financial planning and budgetary control reviewed in 2023/2024.</b></p> <p>CR advised that this request is straight forward to achieve.</p> <p><b>The trustees asked CR to manage this change.</b></p> <p><b>The trustees unanimously agreed to the audit plan upon CR making the changes requested.</b></p> <p><b>A trustee asked if CR has seen a progression in the identification of risk management within EMAT.</b></p> <p>CR confirmed he has, and the developments are ongoing and show improvements on the previous risk management and risk assessments.</p> <p>MC added that he has seen the GRC1 risk register portal and noted the risk and quantified into a risk score. MC added that he had given DU feedback on improvements and DU had taken these on board.</p>	CR
12. Risk Register - Key Risks update	<p>DU highlighted the following.</p> <ul style="list-style-type: none"> <li>• The new Risk Register has been launched and all Risk Owners have updated their risk scores.</li> <li>• Operational core risk has been spilt with the relevant risk owner in the central team.</li> <li>• GRC1 always pull over the highest scores for the core risk. Any trustees who would like access to GRC1 to contact DU direct.</li> <li>• There are no areas of particular concerns on the report.</li> <li>• Close collaboration work continues with each academy and DU meets with the risk managers regularly.</li> <li>• NIA scores are expected to decrease.</li> <li>• PWS scores is primarily due to potential impact, although training and polices have reduced these.</li> <li>• Initiatives in place across the trust to improve the grades of SEND pupils.</li> <li>• Threat Review. Every report a deep dive will be conducted on a specific Core Risk, during the previous A&amp;R Committee meeting the following Core Risk was identified. CENTRAL - IT Systems, services or data fail to meet the needs of the Trust or a compromised due to a Cyber Security Incident - Score 9.</li> </ul>	

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	<p>Risk. The Trust falls to protect data held on its systems or in hard copy resulting in GDPR Data Breach. Pre-mitigation score 25 current risk 6 and room to lower this even further.</p> <p>Risk. A complete failure of critical IT or communications infrastructure and services. Pre-mitigation score 20 current risk 6.</p> <p>Risk. Adequate a-safety controls are not implemented, or staff and students fail to understand the vulnerabilities. Pre-mitigation score 20 current risk 6.</p> <p>For all of these risk industry best standards will be constantly reviewed and implemented if required and there is an aspiration to go to ISO 27001. ISO 27001 is the standard created by the International Organisation for Standardization (ISO) which deals with Information Security Management. It is a way of making sure that you are managing information security risks and data effectively.</p> <ul style="list-style-type: none"> <li>• Planned Activity. The following activity is planned over the next period a Members Confirm Ownership of Core</li> <li>• Risk and associated Threat             <ol style="list-style-type: none"> <li>1. Controls will be identified and assigned to Threats</li> <li>2. Commence the recording of how embedded controls.</li> </ol> <p>Both 1 and 2 will be included in the report and shared at the next meeting.</p> </li> </ul> <p><b>A trustee asked for risk no 9 “the trust fails to adequately protect its reputation” is the current risk owner PR and Communication manager correct. Should it be the CEO.</b></p> <p>DU agreed to change R1/R4 to him as the owner, R2 to PW as owner and R9 to JC as owner.</p> <p><b>A trustee asked if the CEO as part of the review would consider sending an annual communication to the team asking them to provide full support to the risk management team.</b></p> <p>JC noted that there are regular executive leadership meetings where risk management is discussed and thanked the trustee for the suggestion and will investigate.</p>	<p style="text-align: center;">DU</p> <p style="text-align: center;">DU</p> <p style="text-align: center;">JC</p>
13. GDPR update	<p>DU highlighted the following.</p> <p><u>Overview/Activity.</u></p> <ul style="list-style-type: none"> <li>• Statement from GDPR sentry. “The Trust has shown signs of building knowledge and confidence with data protection over the last year. The number of breaches recorded on the Sentry system in 2022 is down 15% on 2021 (more when the number of months data is allowed for). The effect is most clearly shown by the number of tickets raised on the helpdesk. This has fallen by over 40% in 2022 compared to 2021. We can also see that the tickets are now focused on more complex questions. In 2022 5 subject access request have been recorded, compared with 11 in 2021. All schools were visited in June 2022 for onsite audits. Across the Trust the results were quite varied, representing different technological</li> </ul>	

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	<p>setups. Unattended screens were an issue in some schools, an unprotected physical server in another. There was a view that the level of compliance was mostly related to the understanding and diligence of the individual members of staff. For the coming year improved standards of data protection consistently demonstrated across the Trust should be the objective. Data protection leads from each school should work together to share best practice and potentially staff from one school could serve to review another. The documentation of the data processed by the Trust needs to be recorded in the Sentry system. It may be useful to provide a small number of staff in each school more specialist data protection training.”</p> <ul style="list-style-type: none"> <li>• The following activity is planned over the summer term:             <ol style="list-style-type: none"> <li>1. Continue ensuring all staff complete GDPR Training to gain 100% compliance.</li> <li>2. GDPR Working Party members to increase HR and Finance All DPL’s to commence Data Mapping in their respective areas. Progress to be reported at next Risk and Audit Committee meeting in GDPR Update this is an urgent requirement to address data assets and transfers process which is still at an unacceptable level.</li> <li>3. Continue to review policies and update.</li> <li>4. New DPLs to receive training when they join.</li> <li>5. Repeat DPL training or Orchard DPL.</li> </ol> </li> </ul> <p><u>Data protection Leads (DPSL).</u></p> <ul style="list-style-type: none"> <li>• Update given regarding the Data Protection Leads (DPSL) and facility of the 24-hour 365-day support phone service from GDPR Sentry.</li> <li>• All DPLs are required to complete 2 x 2-hour courses with a month of each other which will be delivered by via Microsoft Teams, this training provides users with the required background knowledge of GDPR and the operational training on using the GDPR MIS system.</li> <li>• GDPR related training staff shared, the results were not as good as expected. Between the papers being shared and the meeting all schools had a training drive, and all are at 100% apart from PWS and NIA. NIA and PWS are expected to be at 100% shortly. For 2023-2024 this training will be conducted during the inset day</li> <li>• DPLS vacancies as follows. Hardingstone is to be confirmed as the post is currently vacant, the Head of Shared Services is providing support in the absence of a school-based DPL. The Central Governance and Trustee DPL is to be confirmed as the post is currently vacant, the Head of Shared Services is providing support in the absence of a DPL. The Finance DPL will be established once vacancies have been filled in the team. The HR DPL will be established once the HR Software system has gone live freeing up resource within the team It is hoped that all roles will be filled for the next A&amp;R committee meeting</li> </ul>	





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15. Policies: (to be ratified)	<p>The meeting was not quorate, so PW requested these policies are added to the Trust board meeting in December. Post-meeting note not actioned PO to manage via email.</p> <ul style="list-style-type: none"> <li>• Acceptable Usage policy (no changes from last version)</li> <li>• Cyber Security Incident Response Plan Lite (no changes from last version)</li> </ul>	<b>PO</b>
16. IFNM	<p><b>Standard items:</b></p> <ul style="list-style-type: none"> <li>• Risk Register update</li> <li>• Internal Audit Reports</li> <li>• Self-Assessment</li> <li>• Policy cycle.</li> </ul> <p><b>In addition, Trustees requested:</b></p> <ul style="list-style-type: none"> <li>• Sentry presentation</li> </ul>	
17. AOB	There was no AOB at this time.	
18. DONM	<p>Dates for the academic year 2022/2023 have been set.</p> <ul style="list-style-type: none"> <li>• Wednesday 19/04/2023 at 10am</li> <li>• Monday 10/07/2023 at 10am</li> </ul>	Invites to meetings had been sent

**The meeting ended at 11.43pm**

<p>Minutes agreed as a true representation and signed</p> <p>Signature</p>  <p>Print Name</p>
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**Action log of the Audit and Risk committee meeting held 28/11/2022**

No.	Action	Owner
1.	08.07.2022 minutes to be signed at the next meeting. Page 1.	<b>PO/MC</b>
2.	Trustees to be invited to BCP exercise. Page 2.	<b>DU</b>
3.	Invite SENTRY to present to trustees in the April 19 <sup>th</sup> meeting. Page 2.	<b>PO/DU</b>
4.	Action governance recommendations. Page 2.	<b>PO</b>

5.	Purchasing and payments to be reviewed in 2022/2023 and financial planning and budgetary control reviewed in 2023/2024. CR to manage. Page 5.	<b>CR</b>
6.	DU to add 1. Controls will be identified and assigned to Threats & 2. Commence the recording of how embedded controls to future reports. Page 6.	<b>DU</b>
7.	DU to change R1/R4 to him as the owner, R2 to PW as owner and R9 to JC as owner. Page 6.	<b>DU</b>
8.	JC to investigate if there is a benefit as part of the GDPR review sending an annual communication to the team asking them to provide full support to the risk management team. Page 6.	<b>JC</b>
9.	DU to set CR up with GDPR Sentry log in details. Page 8.	<b>DU</b>
10.	U to share the PWS ICO report with the trustees. Page 8.	<b>DU</b>
11.	DU to add the reporting period to future reports. Page 8.	<b>DU</b>
12.	PO to manage the ratification of the following policies. Page 9. <ul style="list-style-type: none"> <li>• Acceptable Usage policy (no changes from last version)</li> <li>• Cyber Security Incident Response Plan Lite (no changes from last version)</li> </ul>	<b>PO</b>