



TRUST BOARD AUDIT & RISK COMMITTEE

Minutes of a Virtual Meeting of the Audit & Risk Committee of the Trust Board of South East Cornwall Multi Academy Regional Trust held on Monday 28th March 2022 at 6.30pm.

Present	Yes/No	In attendance	Yes/No
Mr Brian Cook	Yes	Mr Dan Buckley, CEO	Yes
Mr Lee Hallam, Chair	Yes	Mrs Jo Lumbard, CFO	Yes
Mr Chris Piper	Yes	Mrs Kate Williams, Clerk	Yes
Mr Richard Newton Chance	Yes		

Summary of matters for the Trust Board

- a) A key strategic risk for the Trust is currently staffing. Headteachers have autonomy to close or partially close the schools if there is not sufficient staffing for them to safely open.
- b) The Audit & Risk Committee will be reviewing the coverage and scope of the Audit & Risk Committee.
- c) We are sitting within the benchmarked expenditure for MATs and Trustees have assurance that the Trust is not being mismanaged.

8. Welcome

The Chair welcomed everyone to the meeting. Initials for agenda items.

9. Declaration of Business or Pecuniary Interest and Academy-related parties - update on any changes since completion of written declaration

None.

10. Apologies for Absence

All Trustees were present.

11. Approval of the minutes of the previous meeting held on 09-12-2021

The minutes of the meeting held on 9th December 2021, having been circulated in advance, were agreed as an accurate record and will be signed.

12. Matters Arising

M6. Presentation of draft Accounts and Management Letter: Kevin Connor, Bishop Fleming

q) A Trustee noted the free reserves and asked Mr Connor if he has any view on suitable levels of reserve and how this should be included in the Reserves Policy. Mr Connor advised that he has seen different approaches to the Reserves Policy and he has discussed this with the CFO and CEO. Excessive carried forwards can be queried by the ESFA. There is not a correct answer to this and Trustees need to decide an appropriate level of cover. Mr Connor advised that a benchmarking document will be available later this year. School closures this year have impacted reserves in Trusts. Trustees suggested that this should be included in the next Resources meeting for further discussion. Clerk to add to the agenda.

Update: Mr Hallam needs to draft the letter.

Action: L Hallam

v) Mr Connor noted the fantastic job of the finance team and thanked everyone for their work towards a smooth audit process. Mr Buckley suggested a thank you and congratulations from the

Audit & Risk Committee would be welcomed by the finance team. Mr Hallam to draft a letter.
Update: Complete.

13. **Review the strategic risk register and discuss emerging risks or risks with increasing likelihood**

Documents were circulated in advance of the meeting. From these:

- a) **The Chair suggested that as part of the purpose and scope of the Audit & Risk Committee meetings, we should look at the Risk Register and if we have any risks emerging or risks that are increasing.** Mr Green may need to attend the Risk and Audit meeting. It was suggested that Trustees may need to allocate some time to these areas outside of meetings and discuss how they are fulfilling their duties around risk moving forwards.
- b) Mr Buckley suggested that we should look at the methodology used around the five-year Strategic Plan and its risk management. We need to highlight the areas of risk to the correct committees. It was suggested that it might be worthwhile having a working party for this. Mr Buckley added that SLTF have been tasked with identifying the key risks. Strategic risks are what are stopping us fulfilling our aims. Mr Buckley will advise Trustees of the outcome of the next SLTF meeting.

Action: D Buckley
- c) **A Trustee asked if there are any risks Trustees need to be aware of.** Mr Buckley advised that staff are continuing to be challenged by Covid and there are concerns for staff. Three-year groups are working from home due to staff absence but everyone is working to keep the schools open. **A Trustee noted this is a key risk and should be flagged to the Trust Board.** Mr Buckley advised that one benefit of being in this Trust, is that the Headteachers have the autonomy to close part of their schools if it is not safe to keep them open. Mrs Lumbard added that whilst there is staff absence, those staff who have been covering are exhausted and those returning are exhausted from being ill. Staff are looking forward to the Easter holidays for some down time. Staff are working hard to cover each other and without the one single domain IT system, we would have had significant problems with the IT team being reduced by absence.
- d) Mr Buckley advised that we have been delayed in terms of processes over the opening of Dobwalls nursery but in the meantime, the staff have been deployed across the Trust to cover staff absence. We are working with the Local Authority to hopefully mitigate any issues.
- e) Saltash Ofsted is a risk and there is a delayed risk at Landuph's as their Ofsted visit was deferred. Ofsted visits do present some element of risk and a double RI outcome is a significant risk to any Trust and there would be consequences of that.
- f) **A Trustee noted that we need to understand our risk appetite moving forwards.**

14. **Kreston Reeves Internal Assurance Audit Report 21/22**

A document was circulated in advance of the meeting. From this:

- a) Mrs Lumbard advised that last summer we agreed internal assurance tests. Initially the tests were supposed to take place twice during the year but there was some miscommunication at Kreston Reeves so all the internal tests were undertaken in January. To do anymore testing would cost us more and we have made the assumption that we should stay within our budget. If there had been any concerns raised from the outcomes of the testing, we would have reviewed this. However, as there were no concerns identified in the report, the testing for 2021/22 was complete. Mrs Lumbard also advised that we do have some further testing schedules that Kreston Reeves are able to undertake which may be of interest to the committee. Mrs Lumbard will circulate these for decisions to be made in preparation for the next meeting. **A Trustee suggested that we can be targeted and should look at a three-year program moving forward.**

15. **ESFA funding statements**

A document was circulated in advance of the meeting. From this:

- a) Mrs Lumbard advised that for audit purposes, as the majority of our funding is led by the October census we should assess what is on the ESFA funding statement versus the census reports. The

ESFA statement is slightly more favourable by one student which we are investigating.

16. **Annual assessment of the MAT against appendix c of the Academy Trust Handbook (ATH) ‘the musts’**

A document was circulated in advance of the meeting. From this:

- a) Mrs Lumbard explained that as part of the audit process this is a requirement and we have to review “the musts” annually. She has met with the CEO and they have reviewed “the musts” in the document. Anything highlighted in yellow has been added this year to the ATH but we have been compliant anyway.
- b) **A Trustee asked about the must relating to Chairs and Trustees and who has been completing this which includes the seven principles of public life. A Trustee asked if there are any gaps that committee needs to be aware of** and Mrs Lumbard has run through this process and **Trustees queried how they demonstrate they are content with this being compliant. Trustees suggested that if anything stands out, it should be raised and noted that is a matter of judgement.** Mrs Lumbard noted that Bishop Fleming do ask us about this during the audit and it is a standing agenda items which provides evidence of Trustees have considered these statutory items. Mr Buckley suggested that it would be useful to select and triangulate samples of this list and Mrs Lumbard advised this checked by the auditors and Trustees should raise and challenge.

17. **Report of any novel or contentious transactions to consider risk**

A document was circulated in advance of the meeting. From this:

- a) Mrs Lumbard advised that as part of the annual accounts we have to sign that there have not been any novel or contentious transactions and at this point of the year, we need to confirm that nothing else has occurred since the accounts were signed.

18. **The Anti-Fraud checklist**

A document was circulated in advance of the meeting. From this:

- a) Mrs Lumbard explained that this is a checklist and we should ask ourselves how we can have correct arrangements in place to prevent, detect and deal with fraud should it arise.
- b) It was discussed that this does fall within the remit of the Audit & Risk Committee. Much of this is covered by the Audit. **Trustees queried if a cover sheet from the discussion had by Mrs Lumbard and Mr Buckley would be useful or if a verbal update would suffice.** Mr Buckley advised that this document has been reviewed four times by Trustees and there have been less issues raised each time. Mrs Lumbard advised the assessment of the MAT is of the same ilk and we have to have the same process and checklist so it is a verbal update to confirm there are no changes.
- c) It was agreed that a verbal update is sufficient and this would provide the opportunity to ask any questions as this would be the most valuable mechanism to reach assurance.

19. **Regularity update**

A document was circulated in advance of the meeting. From this:

- a) Mrs Lumbard advised that we have to sign to say we are using the funds for the purpose they were intended and our declaration that nothing has changed since the accounts were signed in December 2021 or there is anything out of the ordinary and all is continuing as it should.
- b) Trustees noted compliance.

20. **Annual assessment of the MAT against CC8, internal controls in a charity**

A document was circulated in advance of the meeting. From this:

- a) Mrs Lumbard explained this has been reviewed and there have not been any changes. We are still compliant and mindful that this review needs to be completed annually.

21. **Summary of matters for the Trust Board**

- a) A key strategic risk for the Trust is currently staffing. Headteachers have autonomy to close or

partially close the schools if there is not sufficient staffing for them to safely open.

- b) The Audit & Risk Committee will be reviewing the coverage and scope of the Audit & Risk Committee.
- c) We are sitting within the benchmarked expenditure for MATs and Trustees have assurance that the Trust is not being mismanaged.

22. **Agreements made by email**

- a) None.

23. **Date of next meetings:**

08-06-2022 combined with Resources Committee.

The meeting closed at 7.23pm.

Action Summary	
<p>M12. Matters Arising M6. Presentation of draft Accounts and Management Letter: Kevin Connor, Bishop Fleming</p> <p>q) A Trustee noted the free reserves and asked Mr Connor if he has any view on suitable levels of reserve and how this should be included in the Reserves Policy. Mr Connor advised that he has seen different approaches to the Reserves Policy and he has discussed this with the CFO and CEO. Excessive carried forwards can be queried by the ESFA. There is not a correct answer to this and Trustees need to decide an appropriate level of cover. Mr Connor advised that a benchmarking document will be available later this year. School closures this year have impacted reserves in Trusts. Trustees suggested that this should be included in the next Resources meeting for further discussion. Clerk to add to the agenda.</p> <p><i>Update: Mr Hallam needs to draft the letter.</i></p>	<p>Action: L Hallam</p>
<p>M13. Review the strategic risk register and discuss emerging risks or risks with increasing likelihood</p> <p>b) Mr Buckley suggested that we should look at the methodology used around the five-year Strategic Plan and its risk management. We need to highlight the areas of risk to the correct committees. It was suggested that it might be worthwhile having a working party for this. Mr Buckley added that SLTF have been tasked with identifying the key risks. Strategic risks are what are stopping us fulfilling our aims. Mr Buckley will advise Trustees of the outcome of the next SLTF meeting.</p>	<p>Action: D Buckley</p>