



TRUST BOARD AUDIT & RISK COMMITTEE

Minutes of a Meeting of the Audit & Risk Committee of the Trust Board of South East Cornwall Multi Academy Regional Trust held on Wednesday 10th December 2025 at 4.45pm.

Present	Yes/No	In attendance	Yes/No
Mr Marcel Aarts	Yes	Mrs S Pike	No
Ms Jody Chan-Penney	Yes	Miss K Reed	No
Mr Neill Toms, Chair	Apologies	Mr D Buckley, CEO	Yes
Mr Gary Simpson	Yes	Mrs J Lumbard, CFO	Yes
In attendance	Yes/No	Mr K Carrington, Director of Education	Yes
Prof V Campbell-Barr	No	Ms K Williams, Clerk to Trust Board	Yes
Mr J Crisp – Chair of the Trust Board	No	Mrs Alison Oliver, Bishop Fleming	Yes
M C Hodges	Yes	Mr Neil Ellicott, Head of Finance	Yes
Mrs L Lawson	No		

Summary of matters for the Trust Board

- a) The committee recommended that the Trust Board approve the Annual Accounts, and they noted a congratulations to the team for another clean audit outcome.

The committee recommended that the Trust Board approve the Risk Register in its new and recommended that an exceptional meeting is arranged for the Trust Board to discuss fully and

- b) agree the risks.

1. Welcome and Format of Meeting

Mr Aarts agreed to chair the meeting and welcomed everyone.

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

None.

3. Apologies for Absence

Mr Toms had sent his apologies in advance of the meeting and these were received and accepted by the committee.

4. Approval of the minutes of the previous meeting held on 10-07-2025

The minutes of the meeting held on 10th July 2025, having been circulated in advance, were agreed as an accurate record.

5. Matters Arising

There were no action points from the last meeting.

6. Presentation of draft Accounts and Management Letter: Bishop Fleming

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

- a) KIDD Document

Mrs Oliver explained the format has changed with a focus on the feedback at the start and then general information later. She confirmed the audit work was carried out in line with the audit plan. We anticipate issuing an unmodified report and nothing that required significant adjustment.

- b) We have reviewed accounting policies and these are being consistently applied. The audit regularity risks are management override of controls and fraud in income recognition. There was £260K SCA (Schools Condition Allocation) income incorrectly deferred which is not uncommon. There are regularity risks and there were no errors in this area of the audit.
- c) We are required to report schools in deficit which are Looe and Trewidland and these schools are moving forwards. We have a comment on the pension valuation which has moved into surplus. We have a comment from management on this and this position will move again next year. Bishop Fleming are happy with the assumptions used.
- d) **A Trustee asked about the likelihood of valuations changing due to stock market changes.** Mrs Oliver advised we take into account the market changes Mrs Lumbard added that changes in terms of the decrease in employer contributions are effective from next April.
- e) Management Letter
Mrs Oliver advised the points are RAG (Red, Amber, Green) rated. The first point is in terms of internal management accounts. There has been lack of capacity in the team and this should be resolved moving forwards. In terms of authority limits on authorising and entering journals, it was found that the finance system software was not able to exclude certain users from accessing journals of a particular value. Therefore, the financial scheme of delegation has been changed to exclude some system users from accessing payroll journals and we will add additional monthly checks to be carried out by the Head of Finance next year which can be checked as part of the audit process.
- f) **A Trustee noted we have just updated the financial scheme of delegation.** Mrs Lumbard advised we will have a spreadsheet every month which is more formal and should provide the auditors with the evidence that they require to clear this point next year. Mrs Oliver noted a timing of journals and a gap due to capacity issues and hopefully this will resolve for next year.
- g) **A Trustee asked if this was due to a capacity issue within the team.** Mrs Lumbard advised that where we have had sickness or absence in team, it has had an impact on being able to post and provide a balance sheet. **A Trustee asked if we are now at capacity.** Mrs Lumbard advised that Mr Ellicott is now in post and this will continue with the new CFO. Mrs Oliver advised all other points have been resolved. Mrs Oliver added that there are some links to the academy knowledge hub if this is of interest to Trustees.
- h) Financial statements
Mrs Oliver advised that the Trustees report complies with what is expected in terms of the report. The only item to draw attention to is the Reserves policy and that the Trustees should be content that the expectations of the reserve levels fit the needs of the Trust. The Trust is achieving a reserve that is within the set expected percentage range. This level provides the Trust with the ability to meet its cashflow needs.
- j) Statement of financial activities
There is a surplus across every fund including free reserves. This is positive as compared to a lot of Trusts, who would have been happy to have made the same reserves we have. **A Trustee asked are we focusing too much on cost control rather than focusing on where we can invest in other areas which would have a positive impact on the Trust.** Mr Buckley advised that if we are above 8% reserves, we would need to spend this and 8% is the industry standard. It would be unsafe to go too far below this in case we had to make redundancies. Mrs Oliver advised Trusts that have a mix of secondary and primary schools are better placed to have a stronger financial position and some Trusts are taking actions now to reduce costs whereas some Trusts have taken action earlier.
- k) Balance sheet
There is an increase in net assets and reflecting retention of reserves so there is a relatively stable balance sheet. We are in a good strong cash position. **A Trustee asked if we are making a reasonable return on the cash.** Mrs Lumbard advised we are.

- j) Going concern
Mrs Oliver advised that Bishop Fleming have reviewed the going concern position and are happy with it.
- k) Mrs Oliver explained that in terms of payroll notes, staff costs have increased and staff numbers have increased which is seen across Trusts with stronger financial control. For those higher paid staff, the bandings for disclosure have not changed and we are seeing more Trusts with more staff hitting these bandings. **A Trustee asked if school must publish these bandings.** Mrs Oliver advised this is the case and whilst some staff numbers have gone up through the bandings, only one staff member has been added. **A Trustee asked about average teacher costs.** Mrs Oliver advised this based on employee benefits and this impacts staff costs. This is salary only and accounts include all costs. We have disclosed the number of staff personnel and there have not been significant salary increases for the senior management team.
- l) Statement of funds
This gives a breakdown of funding streams across the year. The funds being received can be clearly demonstrated that they are being used as they should be. **A Trustee asked if we need to pay back PP (Pupil Premium) and GAG.** Mrs Lumbard advised that we can carry this forward but we needed to return any national tutoring programme which we received post Covid. Mr Buckley advised we managed to use all this funding stream.
- m) Mrs Oliver advised that Looe and Trewidland are in deficit and this has been listed. **A Trustee referred to Trewidland who is small and asked are we expecting a loss each year.** Mrs Lumbard advised they set a balanced budget for 2024/25 but achieved a small surplus which reduced the overall cumulative deficit. We have worked to move staff between Trewidland and Dobwalls to reduce costs. Mr Buckley advised we can continue to run the school with 11 pupils and we currently have around 30 pupils.
- n) **A Trustee referred to Looe and the new Headteacher and asked how does this work.** Mr Buckley advised that we have moved into a deficit but moved back out of this. **A Trustee asked if the intention is that schools reduce the cumulative deficit and what is the timespan.** Mr Buckley advised this is the case but we look at what is reasonable and schools are not under a pressure that would compromise them.
- o) Mrs Oliver explained that in terms of related parties' disclosures, there are none and Trustees had nothing further to add to this. Trustees and the executive team had nothing further to declare.
- p) Financial overview
This is a reconciliation of the funds.
- q) Letters of representation
There is one for regulatory and one for the main audit. There are no bespoke points in this letter as they are all standard items for Trusts. Posting of deprecation, minor bursary adjustments and capital funding adjustments were flagged as minor points. The pension benefit scheme of £2.84 million surplus has not been recognised.
- r) **A Trustee asked what the potential overspends of wages mean.** Mrs Oliver advised these never tie in completely so we check to see if wages tie in with the records. It was explained that this can be where expenses are claimed or supply invoices. When we post to the payroll system we balance this to zero. Bishop Fleming's reconciliation compared to the CFO's were very similar and so no cause of concern.
- s) Mrs Oliver left the meeting at 17.21.

- t) **A Trustee asked if the committee need to sign off the letters.** Mrs Lumbard advised that it is for the audit committee to recommend to the board for approval. All Trustees were content to recommend the approval of the annual accounts.
- u) Mr Buckley wanted to minute the congratulations to the finance team for a clean audit.

7. **Consider strategic risk including new and emerging risks**

- a) Mr Buckley advised that they have reviewed the way we manage risk and we now have a framework where we consider the risks. We now need to agree the methodology and if all the risks are covered.
- b) Mr Buckley explained that he has looked through the recommendations for identifying the risks and there should be 10 risks which have been spilt into 5 different categories – Financial Risk, workforce risk, educational risks, governance risk and compliance risk. The financial risks have been discussed with the CFO, but the Trust Board need to agree that these are the correct risks.
- c) **A Trustee asked how we have chosen these. A Trustee referred to the last risk meeting where the brief for the Risk Register (RR) was discussed and felt this is the most comprehensive document he has seen. A Trustee asked if this is manageable for the team and this is a remarkable improvement.** Mr Buckley advised he has checked with senior staff and they feel this is manageable.
- d) Mr Buckley advised that we have listed all the risks which are or should be monitored in the Trust. These might not need to be monitored but we can evidence that they have been considered. Mr Buckley explained that the loss of SCA funding and transfer of the CFO are the two key risks highlighted under financial risks.
- e) **A Trustee asked what the trigger of the risks is here.** Mr Buckley explained a change of pupil numbers is a trigger so if a school is reduced by 9 pupils, this will be flagged. **A Trustee asked about testing and reporting and if this is an absolute.** Mr Buckley advised this is an absolute and we decide the conditions and advise staff who are imputing data. Staff record numbers of pupils in the Headteacher reports and this data is transferred over to the RR. Mr Buckley advised that we need to debate the trigger for the CFO role.
- f) Mr Buckley advised that committees need to review the risks annually. Trustees noted how comprehensive document is and noted the scoring methodically and felt that we can mature to a point to decide as a board and start using risk language to guide the board. There is a second point around the comment of the flow of risk and the strategic risk is a focus of the board and this flow must be two way and it was queried does the model present both. Mr Buckley advised that for the schools, there are the same indicators and additional control measures are included and these can feed through to other schools where best practice is evident. There must be a control measure added and the ones that schools believe they should have.
- g) Mr Buckley explained the Trust Board summary. **A Trustee noted this process is far better than it was and this could be recommended as the position for the Trust Board moving forwards.** It was felt that we need to have an exceptional Trust Board meeting to agree the risk ahead of LGC (Local Governing Committee) three and anything additional could be added to the Headteacher report.
- h) **A Trustee asked if the leadership team are 100% behind this.** Mr Buckley advised this was discussed during TSLT (Trust Senior Leadership Team) where this was debated at length. Leaders feel this is manageable. Mr Buckley added that they felt most worried about losing the ability to note where they feel there is an increased worry about a risk, so we have kept this in the document.
- i) **A Trustee asked about the frequency for schools to update this.** Mr Buckley advised that this will be half termly with the Trust Board reviewing annually. **A Trustee asked if half termly is excessive and would termly be better.** Mr Buckley advised that this can be kept under review to ensure it is manageable for staff and there are some data sets which are only added in annually.

- j) The committee agreed to recommend the document for Trust Board approval with an exceptional meeting to be arranged early in the New Year to agree fully.

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

- a) The committee recommended that the Trust Board approve the Annual Accounts, and they noted a congratulations to the team for another clean audit outcome.
- b) The committee recommended that the Trust Board approve the Risk Register in its new and recommended that an exceptional meeting is arranged for the Trust Board to discuss fully and agree the risks.

9. **Agreements made by email – For information**

- a) Internal Assurance Plan for 25/26
- b) Interim review of SMART Financial Scheme of Delegation

10. **Date of next meetings:**

24-03-2026 (A&R), 24-03-2026 Resources, 02-06-20256 (A&R) and 08-07-2026 Resources.

Trustees noted a further congratulations to the team for the clean audit. Mrs Lumbard advised that Bishop Fleming are normally with us over a two week period and we undertake a lot of preparatory work. The feedback on this preparatory work is really positive and we work well with the auditors.

The meeting closed at 17.47.