

Risk, Audit and Compliance Committee Minutes

Meeting	Risk, Audit and Compliance Committee	Date	Thursday, 30 th November 2023
Location	EKC Schools Trust Boardroom	Time	2.30 p.m.
Membership	Peter Goldsack (Chair), Peter Troke (PT), Alan Horton (AH); <i>Emma Wilkinson (EW)</i>		
In attendance	Tammy Mitchell, Chief Executive Officer (CEO); Chris Legg, Chief Financial Officer (CFO), Sharon Hollingsworth, Group Director of Governance (GDC), Claire Edgeworth – Notetaker.		
	<p>Guests – Summer Macer (SM) - COO; Duncan Cochrane-Dyet (DCD) – MHA -Items 3, 4 and 5 Finance Committee Trustees – Ollie Laughton (OL); Graham Razey (GR); Paul Sayers (PS) – Item 4</p>		

Italics denotes absence

	ITEM	COMMENTS	ACTION
1	Welcome and apologies for absence	The Chair welcomed everyone to the meeting. EW had sent her apologies.	
2	Declarations of Interest	There were no additional declarations to the meeting other than those declared as standing.	
3	Independent Meeting with the External Auditors	The RAC Committee met with DCD and discussed the findings of the Audit Report.	
4	Trustees Report and Financial Statements for year ended 31 August 2023	Item 4 was considered Confidential until the Financial Statements for year ending 31 August 2023 are signed and published and will form Part A of the minutes	

<p>Audit Findings Management Letter</p>		
<p>5 RAC Committee Development session</p>	<p>DCD provided an 11-minute video on the Finance Handbook. DCD advised that very little has changed, and Trustees are being given more powers but this is not relevant for an Academy Trust. It was agreed that the video will be circulated and all the Trustees will watch this after the meeting. DCD was happy to be contacted with any queries following the meeting.</p> <p>The Trustees thanked DCD and DCD left the meeting.</p> <p>The CEO discussed with the Trustees the need to check that the Auditors are still competitive. The CFO advised the amount of work would be the same across audit firms, but the hourly rate might be different. The Trustees discussed the pros and cons of changing the Auditors and the Trustees agreed that this should be reviewed annually at the November meeting. The CEO would like to reach out to other similar Academies to find out if they are competitive and the GDG advised if we were to change this would need to go via the Members. Trustees were in agreement and advised they would also like to know pupil numbers and how many schools in the Trust for each Academy.</p> <p>The CFO advised you can find the most used firms and their fees online and will report this data at the next meeting.</p> <p>The Trustees were surprised that the Finance Committee had not received the Financial Statements and the CFO advised that Finance Committee agrees the performance side and not controls.</p>	<p>CFO</p>
<p>6. Minutes of the meeting held 25 May 2023 and 12 July 2023</p>	<p>Trustees queried that at the last meeting it was mentioned about VAT claims and reclaims around schools letting out their facilities. The CFO advised that this was minimal but could change with the new Secondary School. This will be revisited in September.</p> <p>The Chair will sign the minutes from the 12th July 2023 after the meeting. The minutes from the 25th May had previously been signed at the meeting in July.</p>	

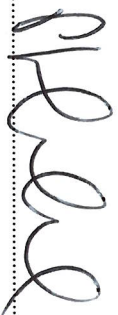
7.	Matters Arising not covered by this agenda:	<ul style="list-style-type: none"> • <u>Item 6. Feedback regarding potential delegation of Safeguarding Audits to LGB</u> The CEO created a statutory duty list and shared with Chairs, Governors and Clerks to check on their delegated responsibilities. Clerks have advised they are being used and followed. At the Chairs Forum the Chairs advised this gave an element of comfort. The CEO advised that the Headteachers have been asked to get a Governor to attend the Safeguarding Audits. The schools already have the dates, but CE will send round the dates to the Chairs and ask them to find a Safeguarding Governor to attend. • <u>Item 9 – HT Survey – risk that relationships with other organisations impact on role</u> Headteachers had advised that external factors were impacting on their role and these were areas around High Needs Funding, which the Trust has no control over. This has been highlighted at the Headteacher meeting to discuss external pressures and gain collective support. SM is looking to see if School Business Managers can take on more responsibility and we are regularly reviewing how we can expand central capacity. <p>The CEO left the meeting.</p>	CE
8.	Terms of Reference for the RAC Committee	<p>Trustees discussed that reviewing the Auditors might need adding to the Terms of Reference. The GDG noted that reference to this is at 3.12 of the Terms. The presented Terms were last agreed by the Trustees in March 2023. There were no suggested changes.</p> <p style="text-align: center;">AGREED - Terms of Reference for the RAC Committee</p>	
9.	Internal Scrutiny Annual Report 2022-2023	<p>The Internal Scrutiny Report is an annual report. The Chair queried bottom of page 1 which showed the review took place in September 2020. The GDG advised it is good practice to show we have had a review and there were good outcomes. It also states we have not had another review.</p> <p>AH queried if a paragraph should be added to show the Committee now has 4 members. The GDG advised this report is for last year and it will be updated next year to show the increase. The Trustees would like a comment added to section 4, to show the Committee recommended that it was increased to 4 and GDG will add this.</p>	GDG

		<p>APPROVED: The Annual Internal Scrutiny Report, subject to the above change.</p>	
10.	Draft Internal Audit Plan 2023-24	<p>The CFO advised it would be the same Auditors undertaking the next internal Audit in January/February. The CFO felt there was nothing to report. Trustees questioned whether we should be considering the secondary school and the CFO felt this would be raised next year.</p> <p>The Chair queried if there was anything that the Committee wanted a second opinion on. AH questioned whether they would look at the new pay structure and the CFO advised they will not check this. Trustees discussed whether this should be added to the Risk Register as there is a risk with the pay changing, that Teachers will leave and AH felt the Trustees would like to know the impact at ground level of changing the staffing structure, and whether this could be via a staff survey. SM advised staff surveys are completed at a local level and we incorporate 5 standard questions.</p> <p>The RAC Committee agreed that the CFO can meet with Christiaan from Azets.</p> <p>NOTED - Draft Internal Audit Plan 2023-24</p>	CFO
11.	Risk Register	<p>The Risk Register was shared prior to the meeting and the CFO presented the Register on behalf of the CEO.</p> <p>The CFO advised that they felt it was preferable to have one combined risk section for the risks relating to the addition of the secondary school rather than embedding into the other sections and had listed the things being done to mitigate this risk. The Chair agreed that there are some key risks but controls are in place so the probability is low, however queried if the impact should be higher. It was agreed there was no definitive answer as to how to manage this. The Chair queried if there should be a separate Risk Register for the project. The CFO advised they have set the budget and have a structure in mind but because the school will not be full from day one, the risk will be mitigated through some posts being recruited to as the school fills up. Trustees acknowledged there is a reputational risk, but this is hard to quantify. Trustees agreed that there should be a fourth bullet point. The actions do not change unless we go out to do some</p>	

	<p>marketing and a fourth bullet point re the reputational risk of the entire MAT would focus people's minds. The Chair felt that we can manage to some degree what goes out in the press. The CFO to inform the CEO of the change.</p> <p style="text-align: center;">AGREED - Trustees agreed to add a fourth bullet point in the Risk Register.</p> <p>Trustees queried the risk around "Failure to embed processes and how we present the data on the risk". There is a target risk score of 3 and probability of 2 but felt that we are never going to get better than 6. AH queried how many times would we need to complete this before we get a probability of 1. The CFO felt until we have taken on a secondary school this should remain as a probability of 2.</p> <p>The Chair queried Risk 7, noting this has gone up and there is a footnote that he did not understand. The CFO advised that the CEO is alluding to the challenging job of turning around a failed school and the DfE might advise we could not take on another school during this period.</p> <p>PT questioned where we were with the Diocese. SM advised that there had been on-going discussions, and a meeting is planned to move things forward. There are some issues to explore but there are no longer Church specific Articles, but the phrase is "Trust with Church schools". There are currently approximately 6 schools initially based on our geography. There are currently 103 Church schools currently standing alone. The Diocese advise that any new Trusts have to offer something unique, and it is felt that this is what we offer. If this is taken forward, we will be added to the Diocese Strategy paper as a preferred Trust.</p> <p>AH queried why Risk 6 – Failure to ensure Business Continuity in the event of a critical incident - was a probability of 3. The Trustees felt the probability is low and the impact is high. If the probability is high, then this is stating that it will occur, however there are mitigations in place as we have capacity in other schools if a single school has a problem. Business Continuity Plans are in place for each school and AH queried if these have been tested. The CFO will investigate this.</p> <p>AH felt Risk 7's wording was incorrect, if we are saying it is the highest probability, then we should set this as high priority mitigation work. AH queried that if we think there is a likelihood we will be</p>	<p>CFO/CEO</p> <p>CFO</p>
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		prevented taking on too many more schools, then we should we be setting this as a strategy and should we advise this is subject to DFE support. A discussion followed around risk and attendance. AH raised concerns that he had been advised that there are a large number of non-native English speakers who are teaching at the secondary school due to recruitment challenges. COO to look at Business Continuity and feedback to the CEO.	COO
12.	Any Other Business	There was no further business.	
13.	Matters Considered Confidential	Item 4 was considered confidential and will form Part A of the minutes.	
14.	Date and time of next Meeting	The next meeting is 19 th March 2024 at 11 a.m.	

There being no further business the meeting closed at: 4.45 pm.

Signed: 

Print: *R Goldsack*

Date: *19/3/24*