

Risk, Audit and Compliance Committee Minutes

Meeting	Risk, Audit and Compliance Committee	Date	Tuesday, 19 th March 2024
Location	Online Teams Meeting	Time	11.00 a.m.
Membership	Peter Goldsack (Chair), Peter Troke (PT), Alan Horton (AH); Emma Wilkinson (EW)		
In attendance	<p>Tammy Mitchell, Chief Executive Officer (CEO); Chris Legg, Chief Financial Officer (CFO), Sharon Hollingsworth, Group Director of Governance (GDG), Claire Edgeworth – Notetaker.</p> <p>Guest – Stephen Whybrow (SW), Group Director of Estate attended for Item 5</p>		

	ITEM	COMMENTS	ACTION
1	Welcome and apologies for absence	<p>The Chair welcomed everyone to the meeting.</p> <p>AH joined the meeting virtually.</p>	
2	Declarations of Interest	There were no additional declarations to the meeting other than those declared as standing.	
3	Minutes of the meeting held 30 th November 2023	The minutes of the meeting held on the 30 th November 2023 were agreed as an accurate record and the Chair will sign the minutes after the meeting.	
4	Matters Arising not covered by this agenda:	<p><u>Comparison of External Audit Services/fees</u></p> <p>The RAC Committee as part of their due diligence, requested a benchmarking exercise from local Trusts to be able to compare costs. The CEO provided a paper, and this was shared prior to the meeting.</p> <p>The Trustees discussed the comparable costs with similar sized Trusts and agreed that these</p>	

		<p>appeared to be in-line with other Trusts. Trustees queried if McIntyre Hudson was used by any of the other benchmarked Trusts, so they could ascertain if the costs were the same. The CEO advised that EKC were the only Trust to use McIntyre Hudson. The CFO advised that some of the work would have a fixed element and would not be down to the size of the Trust. Trustees discussed as the Trust grows and becomes more complex, that the Auditors would need to requote for the work. The CEO advised that she had spoken to the CFO's team, and they would prefer to remain with McIntyre Hudson as they find them positive to work with. Trustees discussed there would be minimal savings based on the figures shared and were keen to stay with McIntyre Hudson.</p> <p>The GDG advised that Members appoint external Auditors, and we would need to recommend to them, that we wished to stay with our current Auditors.</p> <p style="text-align: center;">AGREED - RAC Committee to recommend to the Members that we continue to work with our current Auditors, McIntyre Hudson.</p> <p><u>Testing of LGB Business Continuity Plans (BCP)</u></p> <p>The Chief Operating Officer (COO) has met with the School Business Leaders, and it has been determined that the BCPs are not being tested. The CEO checks the GDPR and DPO part of this work during the Safeguarding Audit and the COO has checked emergency planning and the BCP, and they are all in place and appropriate. The CEO has been working with Jack Collison (JC), Group Head of Corporate Services, who has confirmed systems are in place, but they are not being tested. The COO is working with the team who test the Group BCPs and is planning to run a workshop in the Autumn term on how to test them.</p> <p>The CEO discussed BCP's at the Chairs Forum and advised they need to be checked as part of the broader safeguarding. The Trustees agreed that schools needed to be able to manage a situation instantaneously and to know what to do if the plan does not work. It was agreed that one of the RAC Committee Trustees should attend the workshop.</p>	<p>GDG</p> <p>COO</p> <p>COO /GDG</p>
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		<p>The GDG advised that a Chair had suggested that this was added to the Compliance Checklist and the Trustees agreed this should be monitored in September.</p> <p style="text-align: center;">AGREED – GDG to advise Chairs to add BCP monitoring to the Compliance Checklist.</p>	
5	Health and Safety Compliance update	<p>SW joined the meeting and provided an update paper, this had been shared prior to the meeting.</p> <p>The Trustees acknowledged the impact and good outcomes following the work SW and his team have undertaken with the schools. The Trustees queried the onboarding process for new schools and SW advised that they have a crib sheet which they complete with the new schools and any major areas of concern are shared with the CEO and Kent County Council before conversion. SW advised that there were no concerns with Churchill, and everything was compliant, and only a few landlord responsibilities outstanding and these were completed. SW advised that the schools H&S training is up to date, but at the point of doing the checks, some are coming up for renewal and therefore are recorded as amber, however they were completed just after the check so would now be green.</p> <p>Trustees queried whether there was a grading system that SW uses to identify positive or very positive outcomes. SW advised there was not a grading system but could implement one if needed. The Chair advised the Audit Report that goes to the schools is RAG rated so they get a more detailed report. The CEO advised that all the areas SW had deemed to be 'very positive' were in fact over 95%.</p> <p>Trustees thanked SW and his team for their hard work.</p> <p>SW left the meeting.</p> <p style="text-align: center;">NOTED: Health and Safety Compliance update</p>	
6.	Long-term Financial Planning	<p>The CFO advised he had updated the spreadsheet to include the secondary school coming onboard, and this resulted in adding more income to the Trust. The secondary will make a 5% contribution not 3%, which the primary schools are set at. The bottom of the spreadsheet shows some additional income resulting from interest receivable as cash-in flow, and that, on top of</p>	

school contributions means that the target central reserves has already been met and exceeded. If there was some movement within the first couple of years, this will not take us back down to near the 2% target. The CFO has not added any future acquisitions on top of the ones we already know about in this version of the long-term financial planning document.

Trustees queried what assumption was being made regarding the GAG income. The CFO advised that for the first year, Year 7 is 180, Year 8 is 180 and Year 9 is 90, in total 450. This will bring in £2.8m, so the CFO has reduced it down to £2.4m, as we are not assuming we will be at full capacity. The following two years has the year group moving up through the schools, so income is based on £2.4m to £3.1m to almost £3.7m. This is a fairly conservative approach being taken. Trustees were concerned that if the Trust ended up with a small year group, we would be over staffed, and costs would spiral. The CFO advised that with multiple forms of entry there is more flexibility to react, but, for example, senior leadership costs would not change.

Trustees queried if this had been shared with the Finance Committee and the CFO advised this will be dove-tailed with the 3-year financial plan in the summer and will be presented to the Finance Committee at that time.

The Chair queried if in terms of reserves, the presented figures for the total target reserves, central reserves and GAG funding, were what they have or what they need to have. The CFO advised it is a target. The percentage shown is crucial as the DfE have a notional 20% threshold which they think is excessive and will potentially claw money back. The Trust Reserves Policy shows we are mitigating the risk. Trustees queried if the paper gives a status on meeting the target, but the CFO advised it did not but the appendix to the Management Accounts does, where we track how reserves are being managed. All reserve targets are being met at the moment except one.

Trustees asked for an update on prospective pupil numbers for the Secondary school. The CEO advised that we do not know definite numbers, however the Local Authority have offered 361 places at the current Oasis, which would mean LAT and EKC School Trust would be full if everyone takes up a place. The current Year 7 is a full year group so it is likely we will be full in Year 8. We do not know what will happen in Year 9. There is a small number of excess pupils coming into Year 9, and the Trust will support through the rest of the school, and we have mitigated a lot of that risk

		<p>by reducing Year 9, but this is still an unknown. We have had some mitigation from the DfE that if we are not funded, we can draw down additional funding to keep the school running and re-balance the budget.</p> <p>NOTED: Long-term Financial Planning</p>	
7.	Internal Audit Plan - Azets programme of audit work	<p>The CFO shared the scope of works for the proposed testing that the Auditors will undertake. The Auditors have completed the work for this year and the CFO received the draft on Friday and there are no red areas. Christiaan de Lange from Azets will present the findings at the RAC Committee in the summer.</p> <p>The CFO advised that the payroll testing is a good test to look at, as it looks at the end-to-end process from employment contract right through to being paid. The IT devices have not been audited previously but the others are on a cycle.</p> <p>Trustees queried as the Trust grows whether this means the sample sizes will go up. The CFO advised the number of transactions, and the number of employees will increase, so the fees will go up. The Trustees acknowledged that although the Secondary School will be more expensive, they will be paying a bigger contribution so this will counteract some of the extra cost.</p> <p>NOTED: Internal Audit Plan - Azets programme of audit work</p>	
8.	Risk Register	<p>The CEO shared the Risk Register with the Trustees prior to the meeting. The CEO advised that there were limited changes, and any risks are likely to remain with us for a while.</p> <p>Risk 7 relates to the growth of the Trust, this risk has reduced slightly as we are growing. The CEO was invited to pitch to the Governing Board at Aylesham and she has been invited back for a further discussion. The Secondary school is now certain to join the Trust, and the Church project is being explored. Sheppey Secondary is a separate item on the Risk Register as requested by the RAC Committee. This is a huge risk, and we need to be mindful and keep monitoring the risks involved. The Trustees queried whether the reduction in Risk 7 recognised the back up and support needed to grow, and the CEO advised this was covered in the previous risk that has now</p>	

been removed, as we have successfully transitioned other schools into the Trust well, and the Trust Board had signed off on the Capacity Plan to add more capacity as we grow. The CEO feels we have mitigated as much as we can. The biggest concern is that the DfE then may stop us growing because we have a challenging secondary school and we have no more capacity, but we do not want to stop at one secondary school. The CEO feels we have mitigated against this.

Trustees queried how the link with the Diocese factored into this and timelines. The CEO advised that she has not put anything in the Risk Register at the moment, but it will be a risk when the matter is more formal. The paper that was shared at the Trust Board, is now being shared with the Regional Directors Office and the CEO and Quentin from the Diocese have a meeting with the Kent lead from the DfE next week, to advise them of the position, so any potential problems can be discussed. If approved, this will then be an agenda item on the Diocese Board in June, and if agreed in principle, we will be invited to a panel for final approval by the Dioceses in early July and will go to the DfE in September. Realistically, the Trust will not have any more schools for another year. If all goes well then September will be the first opportunity to get the green light to convert then it will take about another 9 months, and more if there are any land issues. Trustees acknowledged that this was a major risk going forward and will change the Trust structure. The CEO felt that once we get to the approval stage, we will need to have a project plan as a separate risk, and this will impact on other risks. not just the growth of the Trust but also how schools work together. The CEO advised that there is a capacity issue, as she will not be looking after the schools, so this is an added risk to consider before the point of conversion.

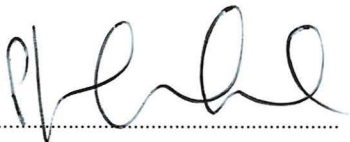
The Chair queried Risk 6, Business Continuity Plan, whether a bullet point needed to be added regarding incident management, to keep it in mind and make sure the risk looks at failure to respond to incidents in a timely manner.

Trustees queried why the probability score for Risk 5, Safe Learning Culture, was a 2. Governors felt the Trust manages this risk well, and queried if it will ever go to a 1 and what could be done to bring it down to a 1. The CEO is mindful if it is taken down to a 1 and it comes off the register, it will be lost. The CEO advised it should never be off the Risk Register but is happy to put it down, as she acknowledged that we have done all we can but is nervous not to have safeguarding on the Risk Register. The Trustees discussed different solutions including putting it down to a 1, and the

		<p>RAC Committee continue to look at this risk. Some Trustees were uncomfortable with this due to the heightened risk of the new Secondary School which will increase the risk. Trustees questioned whether the Register was charting where we are at the moment or predicting future risk. It was felt that it was charting the current position, so it was agreed we could take it down to a 1 and then increase the risk when the new school is on board. It was felt that showing movement in the risk highlighted that the Register is a live document and is continually monitored. The CEO will bring this to the next meeting and highlight future risk.</p> <p>The Chair queried Risk 3 and that at the last Trust Board meeting concerns were raised about one school. The CEO advised that due to recent changes the risk has decreased, and the school is not in the Ofsted window. The CEO will discuss this Risk at the next review.</p> <p><u>GDPR compliance</u></p> <p>AH undertook some training and highlighted the risk relating to GDPR Compliance and whether we had the appropriate staff training in place around GDPR. The CEO advised it came under the Safeguarding Audit which is undertaken annually and the GDPR training certificates are checked for all staff. Some staff undertake enhanced GDPR training, and they tend to use the National College.</p> <p>During DSL training, GDPR elements are included. The Trust liaises with Jack Collison (JC), and staff know how to report a breach to JC. The CEO advised there have been two near misses and both were investigated, and actions undertaken to make sure they do not happen again. One was during a school trip, where they had to carry a paper version of a child's medical needs and the information was lost. On this occasion safeguarding overrides GDPR and so this was carried as a paper version. It was found in another adult's bag, but the process going forward has been changed. The second incident was a SENCO put the wrong EHCP information into an envelope. This was picked up before it left the building. The CEO has checked both near misses and the changes implemented. Any information requests go through JC before we send out to public sources. Trustees queried if GDPR should be an item on the Risk Register to justify we do not consider it a high risk. The CEO agreed we could have a bi-annual GDPR update but acknowledged it is hard to review a risk we do not consider a risk. The CEO will provide a report at the March meeting next year. GDG to add to the agenda.</p>	<p>CEO</p> <p>CEO</p> <p>CEO / GDG</p>
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		NOTED: Risk Register and GDPR Compliance	
9.	Any Other Business	Trustees discussed a cyber-attack at another school and the possible implications.	
10.	Matters Considered Confidential	There were no matters considered confidential.	
11.	Date and time of next Meeting	The next meeting is 21 May 2024	

There being no further business the meeting closed at: 12.05 pm.

Signed: 

Print: P. Goldsack

Date: 21/5/24