

BOARD: **Audit, Compliance & Assurance Committee Meeting**

DATE: 23rd June 2021

TIME: 4.00pm – 6.00pm

VENUE: Remote via Teams

DISTRIBUTION: G Briscoe (Chair) S Biddles (SB)
 J Dumeresque (JD) Carol Chapman (CC)

ATTENDING: Dan Morrow (CEO) A Richardson (AR) M Greener (Clerk)
 T Skeaping (TS) Susanne Kiff (COO) Pamela Tuckett (PT)

The Code of Conduct requires trustees to be honest and open with regard to conflicts of interest (either real or perceived). Trustees must not use their position for personal gain in business, political or social relationships. Therefore, a trustee who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.

Items marked * are those in which a majority of Trustees may have an interest because of some shared attribute. When considering these items, Trustees should aim to achieve a balanced view, paying particular attention to the sources of information and advice, and remind themselves of their duties as trustees and to act in the public interest.

Actions, **red** Questions raised, **blue** Points agreed, **green**

Item			
1.	Welcome and apologies Those present were welcomed by the Chair to the meeting including Pamela Tuckett from the auditing company Bishop Fleming. The meeting will not be recorded and should they need to be in future the Chair will seek agreement at the start of the meeting.		
2.	Administration matters 2.1 Apologies for absence No apologies were received however the Clerk advised that Carol Chapman would be joining the meeting late. 2.2 Confirmation of Quorum (requires 3 members) The meeting was confirmed as quorate. 2.3 Declarations of Interest No pecuniary or personal interests were advised for any agenda item for this meeting.		
3.	Minutes: 3.1 Trustee Committee members to ratify/approve the minutes from the meeting of the – 13.5.21 <p style="text-align: center; color: green;">Chair proposed, and the Committee agreed, for the Committee Clerk to sign off the Minutes on behalf of the Chair – due to it being a virtual meeting.</p>		
4.	Matters arising from the Minutes: 4.1 Update on Action Points / Matters raised from the meeting held on the 13.5.21		
	ACTION TABLE – from the Audit, Risk & Compliance meeting on 13.5.21		
	WHO	WHAT	WHEN
1	AR	To include original target date next to completion and amendments to front cover to show in progress/due date box.	DONE
2	SK	Changes to be made to BCRR for full trustees to approve the document: 1) Increase the likelihood of the risk of: Everyone’s Invited. All agreed that this should be raised and highlighted and the rating heighten to 5.	DONE (and reported on within agenda)



		<p>2) Key Man- this is within the section on staff retention - all agreed to consider change of the word retain to make this a stronger statement.</p> <p>3) Change management – covered in no. 17 – JD recommended that this should be a higher likelihood than is currently recorded. JD suggested increasing no 16. to a likelihood of 3 (Tavistock) and increase no 17 to an impact of 4 and a d likelihood of 3. All agreed.</p> <p>4) No. 19 to include Legal disputes (wording to be included as follows: trust becomes embroiled in a legal dispute in respect of its operations).</p> <p>5) To include the current score to be added for those which we are only partially meeting. This would highlight those which are not changing or are going up. This was agreed to unhide these columns for the version which goes to Trustees.</p> <p>6) Complete the final column – risk increasing, decreasing and no change.</p>	item on RR)
3	Audit Comm	To review the internal audit process in one year's time.	Completed
4	GB/SK	To decide when the tender for internal audit should be initiated (2021 or 2022).	Completed
5	SK/AR/DM	To submit to this committee a financial handbook containing all operations and procedures and to be added as an action on the audit committee action tracker.	Moved to Resources Committee
6	SK/AR/Mel Greener	To inform Trustees when MA Period 5 onwards were available on SharePoint	Moved to Resources Committee
7	SK/AR	To work on a report and recommendation for Trustees re an asset management plan (moving to one central system or maintaining individual records but a solution for trustee oversight) and a system to keep control over IT spend in particular.	Moved to Resources Committee
8	SK/GB	SK to set tolerance level (risk) in order to help focus the Audit Committee on the most important outstanding audit issues.	See below
9	GB	To discuss with DM the change in name of the Audit Committee.	Completed. Agreed - Audit, Compliance & Assurance Committee
10	JL	To email DM to receive an update regarding assurance of the website compliance	Tracker now in place. Completed
11	TS/DM/NMcD	To work on suggested amendments to the Articles of Association to include the removal of the Chair of Trustees also holding a member's position i.e. demonstration of commitment to showing clear water between governance layers.	Completed. See below
12	NMcD	To arrange an audit committee meeting for the committee members to decide on the next internal audit topics. These to be fed to Thompson Jenner by mid-May for the June Internal Audit.	See below
13	SK/GB	To discuss any possible amendments to the internal audit proposal on future topics to be covered.	See below
14	GB/SK/JD	To work on dividing the BCRR into risks allocated for the attention of particular committee whilst keeping the overview. The BCRR with colour coded lines relating to each committee, would go out to all committees with their Board Committee papers.	On agenda
15	NMcD	To confirm what is the role of the LSB re H&S with reference to the SOD and how does the local voice/eye get triangulated and fed through to the Trustees. Also, a list of standard questions for health and safety governors on school site walkabouts. Same model used for safeguarding governors.	Carried forward



8. SK advised that this action point relates to the internal audit reports and low-level amounts.
The Chair asked what levels the Executive Team recommend?

Action: SK/DM to recommend tolerance levels to the Audit Committee for the next meeting.

11. TS advised that the Articles are with the lawyers with two changes to be made:

- CoT will not be a Trust Member
- CEO will not be a Trust Board Trustee

SB raised that the CEO not being a trustee may make him liable and could cause him issues?

The CEO advised that he is aware of this advice and may need to take out separate insurance to cover himself.

The Chair asked whether the Trust would cover the cost of the additional cost of insurance if required? **The Committee AGREED that they would present a recommendation to the Trust Board the cost of any insurance required to indemnify the CEO would be covered.**

PT advised that it is important that the CEO be transparent and clear about his position that he is not a trustee as assumptions could be made that he is one. PT confirmed that shadow trustee insurance does not exist. If the CEO is transparent that he is not a trustee he cannot be held accountable.

The Chair asked the CEO whether he had sought advice from CST?

The CEO confirmed he is awaiting a response to his initial enquire as it requires a wider conversation with the ESFA. The CEO advised that 1:5 accounting officers are not trustees.

PT advised that when the CEO signs things for the trust he must use the right language e.g. delegated to sign by the board' not 'signing on behalf of the board' and recommended that the Scheme of Delegation is checked for its wording.

Action: CEO to check wording in Scheme of Delegation with regards to him signing on behalf of the trust, and if changes are required to bring it back to the Board.

12/13. The Chair advised that he had discussed the internal audit topics with SK for 2021/22 and agreed a set of areas. SK will produce a schedule with the auditors. The Chair asked whether any further support from the committee was required?

SK advised that the schedule will be agreed but there will be other areas that need to be checked that the auditors do not cover in order to assure ourselves.

DM advised that the scope of the internal audit goes beyond finance and that ways will be needed to ensure compliance with the AFH, (now the ATB - Academy Trust Handbook for 2021/22).

Action: SK/DM to agree schedule for internal audit topics.

PT advised that planning meetings are taking place with other MAT clients moving towards a full scope internal audit.

The CEO asked whether any documents might be available to view as sight of them would help inform thinking?

PT advised they are not public documents but suggested that the CEO talk to other MATs and ask the internal auditors how they see the situation.



	<p>The CEO advised the committee that he is meeting with Rob West (internal auditor) shortly and will share any documentation he gains.</p> <p>The Chair advised he would be happy to share the information he has from a HE/FE perspective with SK if helpful.</p>
<p>5.</p>	<p>Matters Brought Forward at the Direction of the Chair: <i>Please note this replaces Any Other Business and only items notified in advance may be discussed with the consent of the Chair</i></p> <p>5.1 New Terms of Reference The Chair advised that the trust board have now signed these off and that he spoken with SK regarding Section 12 'new' duties and identified actions for these. The governance element will be reviewed after the report from David Carter (external governance review).</p> <p>The Chair proposed that he table a paper on how to handle the new duties mentioned inside the TOR. Committee AGREED with this proposal.</p> <p style="text-align: center;">Action 1: Chair to create a paper detailing how the new TOR duties will be followed up and actioned.</p> <p>JD mentioned that sub sections 7/9 make reference to these moving which is confusing and that it might be worth keeping the TOR 'lighter' otherwise everything listed has to be justified and a checklist style document is needed.</p> <p>The Chair advised that he had taken the template from the Chartered Governance Institute and added section 12. The Chair agreed that it was his responsibility to cover off the 'checklist' in his report to the trust board.</p> <p style="text-align: center;">Action 2: Chair to follow up the 'checklist' point from the TOR</p> <p><i>Carol Chapman joined the meeting at 4.29pm</i></p> <p>5.2 Title of Committee Discussed in section 4.1. It was AGREED that the committee would use the title Audit, Compliance and Assurance moving forward.</p>
<p>6.</p>	<p>Audit</p> <p>6.1 Internal Audit Reports and update SK advised that there are no new reports for the committee to review at this time. The last round of audits have just taken place and she is awaiting the draft report.</p> <p>6.2 Internal Audit Tracker The document was distributed before the meeting.</p> <p>AR advised that the cover sheet format has changed slightly which may cause some confusion. Unresolved dates show in the due dates box.</p> <p>The Chair advised that he had reviewed the report and that of the 52 items listed 27 are showing as completed. From his point of view the committee is not interested in what has been completed unless management wish to show on a separate schedule (which can then be noted in the minutes). The Chair noted that 15 items have completion dates in the future (ie considered as "Work in Progress") and again he does not feel that the committee needs to be aware of these. The 10 dates that require revision are of interest to the committee as they need to understand why this is the case.</p> <p>SB noted that it is good to have positive / completed tasks listed.</p>



The Chair asked for two schedules to be created for the next meeting – one to show all that has been completed and one that shows tasks that require new date approval. If management are aware that a future date (ie from the “Work in Progress” action items) that requires to be moved it can be included in this schedule.

Action: AR to update Internal Audit Tracker with the requests for two schedules (completed and new date approval).

The Chair noted that the new dates for all tasks is requested as 31st July 2021 and asked for clarification?

AR advised that the initial dates were not realistic.

SB advised that he agreed with the dates and noted that much work is being undertaken. What can the board do to help with the amber items regarding processes and policy?

SK confirmed there are some ongoing issues which need resolving e.g. nursery funding. Moving forward a more prescriptive way of working will be used e.g. issuing timelines. SK acknowledged that there will always be someone who does not follow the processes correctly but much progress has been made and a new induction programme for new staff will be created to ensure everyone understands the position from the offset with regards to policies and procedures. Support from the top down with reinforcing the need for compliance with the processes would be gratefully received.

SB asked what accountability was in place for those who are not following the processes?

SK advised that professional conversations are happening and that the accountability stance had not been taken in the past.

JD advised that the biggest issue is that if policies and processes are not written down then it is very hard to hold anybody to account.

SK noted that this is a whole team effort and NMc is pulling work together that started before she was in post and processes are now being tested. A September version of a handbook will be ready but will grow and be added to.

The Chair thanked AR for his hard work.

The CEO asked CC for whether she could be a critical friend with regards to the new procedures manual? CC agreed.

The CEO advised the internal audit will become more curriculum led through the pooling process as improvement plans now have to be costed and the whole sector is moving to all area assurance.

6.3 **External Audit**

PT advised that she has had a planning meeting with the CEO and shared the document on the screen (which was distributed before the meeting). Highlights from the report are:

- Section 1 is all about the information that will be reported to the trust board via the Audit, Compliance and Assurance Committee.
- 1.2 – Audit Report (ISA 700). The audit report will look slightly different as there will be an extra narrative page which is required as the auditors have to set out the key risks / areas for fraud. This will mean more questions than before as the auditors have to show what they have done.
- 1.3 – Going Concern (ISA 570). There is a subtle change as the auditors have to now actively say whether they agree with the Trust’s conclusions. There will be a



	<ul style="list-style-type: none"> - higher level of detail on forecasts. There might be more challenge at the point of signing and a brief paper may be required from the Trust Board as to why they feel the trust is a going concern. <p>6.4 – Auditing Estimates (ISA 540). There is a new requirement for a “deeper dive” into the Trust`s estimates appearing in the Annual Accounts.</p> <p>DM asked whether the definition of going concern is taken from FRS102? PT confirmed this was the case in the first instance.</p> <ul style="list-style-type: none"> - 1.5 outlines the key areas that impact the sector. <p>DM asked how the risk assessment relates to schools that are not fully joining the trust? E.g. a partnership PT advised that this is an SLA and as such does not come into the accounts however it is worth noting there is a tax liability for any services other than education support and help is required on this matter PT advised to flag this to the auditors.</p> <p>The Chair noted that the next meeting (29th November at 4pm) is when the report from Bishop Fleming will be reviewed and thanked PT for her input.</p> <p><i>Website Compliance</i> The CEO confirmed that the 2 red flag gaps identified have now been fixed and the Exec Team have made it clear that non-compliance moving forward will become a disciplinary matter.</p>
7.	<p>Review of Business-Critical Risk Register and risks identified</p> <p>The Chair advised that the BCRR now includes the actions from the last meeting. The risks identified for different committees cannot be colour coded as several risks link to more than one committee so a column has been added.</p> <p>The Chair would now like to propose this document to the Trust Board as the official document to be used moving forward, with the Trust Board taking ownership from a helicopter view. The Chair suggested that the CEO includes an update in his board report on changes to the BCRR as and when they happen.</p> <p>JD asked whether it would be possible for filters to be added to the columns to make it easier to filter risks by committee.</p> <p style="text-align: center;">Action: SK to add filters to the spreadsheet to enable committees to filter their relevant risks.</p> <p>The Chair asked JD for feedback of the document from the Resources, Estate and IT Committee perspective.</p> <p>JD advised that challenge had been given regarding the Estates risk and following discussion it was agreed to leave the rating as it is for now.</p> <p>DM advised that more transparency with regards to education / safeguarding is needed and that plans are in place and the risk rating does not need to change yet as he wants to see impact and have assurance first.</p> <p><i>PT left @ 5.11pm</i></p> <p>SK advised that the Tavistock build project is starting slower than liked however the cost of materials could be a potential impact but she is hopeful the project will finish on time.</p>



	<p>The CEO advised that the build at Tavistock may need to be looked at as some aspects may need to go into procurement due to the implications of the price rises and that it may be worth looking at capping costs.</p> <p>The Chair asked for approval of this version of the document to be presented to the Trust Board, and it will form the base line for all future Board discussions. The Committee AGREED with the proposal.</p>
	<p>The Chair noted that the four upward arrows will need an explanation to the board from SK/himself.</p> <p>TS asked whether the BCRR is a live document?</p> <p>The Chair confirmed this was now the case and that the Exec Team will have reviewed the document before the next Trust Board meeting.</p>
<p>8.</p>	<p>School Health & Safety</p> <p>8.1 H & S Reports and update Nothing further to add at this time.</p> <p>8.2 H & S Audit Tracker SK advised this is the first version which was based on the first audit report. Covid-19 has caused delays but a series of audits will be conducted this half term and they will be up to date by the end of the term. Reports will be available for September and actions will be fed into the tracker.</p> <p>The Chair asked for the suggested date for the tree inspection? SK confirmed this would be completed by the end of August.</p> <p>The Chair asked for a similar schedule as per the audit tracker (one for completed and one for dates that have not been met or will not be met).</p> <p>Action: AR to create two schedules on the H&S tracker to show completed dates and dates that have not been met or will not be met.</p>
<p>9.</p>	<p>AOB</p> <p>SB asked how the committee can be assured that the H&S checks are taking place? The Chair advised that the Trust uses the EVERY computer package which monitors H&S check at operational/management level.</p> <p>SB asked whether a report can be issued? The Chair advised that the checks should be completed at school/LSB level rather than to the Audit Committee but it might be useful to have a presentation to the committee of how the CEO/LSBs actions are being followed up. SK advised that it is relatively straightforward for someone to meet with her to confirm they have seen the report.</p> <p>The CEO advised there is scoping work around internal audit verification from an external source. Both JD and SB agreed with this idea.</p> <p>The Chair suggested that an internal operations and management H&S could be formed with the delegated role to monitor H&S actions at school level.</p> <p>SK advised that the new Facilities Estates Operation Manager (Mark Carter) who is in post from 9.7.21 has had a similar committee in his previous role and will be looking to set one up at DMAT in place for September.</p> <p>The Chair advised that the new Trust Handbook comes into force from September and this replaces the AFH.</p>

	SK advised she is happy to report to the board on the changes that have taken place in the handbook. Action: Clerk to agree which meeting with Trust Board Chair the Trust Handbook changes need reporting on
10.	Date of next meetings 9.1 16 th September 2021 - 4pm 9.2 29 th November 2021 - 4pm 9.3 20 th January 2022 - 4pm 9.4 12 th May 20222 – 4pm
	The meeting ended at 5.35pm

Action Log from 23rd June 2021 Audit, Compliance & Assurance Meeting

Agenda Item	Action	Actionee
4.1 (8)	SK/DM to recommend tolerance levels to the Audit Committee for the next meeting.	SK/DM
4.1 (11)	CEO to check wording in Scheme of Delegation with regards to him signing on behalf of the trust, and if changes are required to bring it back to the Board.	DM
4.1 (12/13)	SK/DM to agree schedule for internal audit topics.	SK/DM
5.1 (1)	Chair to create a paper detailing how the new TOR duties will be followed up and actioned.	Chair
5.1 (2)	Chair to follow up the 'checklist' point from the TOR	Chair
6.2	AR to update Internal Audit Tracker with the requests for two schedules (completed and new date approval).	AR
7.	SK to add filters to the spreadsheet to enable committees to filter their relevant risks.	SK
8.2	AR to create two schedules on the H&S tracker to show completed dates and dates that have not been met or will not be met.	AR
9.	Clerk to agree which meeting with Trust Board Chair the Trust Handbook changes need reporting on	Chair/SK