EKC Schools Trust

Trustees Board Minutes

Meeting	Trustees Board Meeting	**Date**	Tuesday, 11th January 2021
Location	Virtual meeting via Teams	**Time**	4.30 pm
Membership	Tammy Michell (CEO), Jonathan Clarke (Chair), Graham Razey (GR), Peter Troke (PT), Hannah Tudor (HT), Paul Wilson (PW), Bernadette Lax (BL), Peter Goldsack (PG) New Trustee, Chris Argent (CA) joined at 15.05		
In Attendance	Chris Legg, Chief Financial Officer (CFO) Sharon Hollingsworth, Director of Governance (DoG), Claire Edgeworth (CE) - Notetaker		

**Italics denotes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and apologies for absence	The Chair welcomed everyone to the meeting.	
2	Declarations of Interest	There were no additional declarations to the meeting other than those declared as standing.	
3	Minutes of the meeting held 17th November 2020, including any confidential minutes	The minutes from the meeting held on 17th November 2020 had been circulated prior to the meeting. The minutes and confidential minutes were reviewed and approved as an accurate record. The remote e-signing of the minutes will be undertaken by the Chair following the meeting.	

4	Matters arising not covered by this agenda	There were no matters arising not covered by the agenda.	
5	Trustee appointment	The DoG had circulated the CV of Christopher Argent (CA) to Trustees prior to the meeting. The Chair explained that Members had met with CA during the recruitment stage and were comfortable that CA had the appropriate skills and experience for the Board. Members therefore recommended the appointment of CA to the Board of Trustees. The Chair informed Trustees that himself, CEO and CFO had met with CA during the recruitment stage, also and were happy with the recommendation. The Chair reminded Trustees that there is a vacancy on the Finance Committee and CA had been made aware of this by the Chair. The Trustees unanimously agreed for CA to join the Trust Board and to serve on the Finance Committee. **RESOLVED: The Board approved the appointment of Christopher Argent, as Trustee to the Trust Board (serving on the Finance Committee) for an initial term of office for one year at which stage a further term of office for up to three years will be considered by the Board.** CA joined the meeting at 15.05 and the Trustees welcomed CA to the Board of Trustees and introductions were made.	
6	Appointments	<u>Chief Financial Officer</u> The CEO asked the Board of Trustees to pass a resolution to approve the official appointment of Christopher Legg as the substantive Chief Financial Officer. CL has been the interim CFO following the resignation of the previous CFO. The Trustees unanimously agreed to formally agree the appointment. **RESOLVED: The Board approved the appointment of Christopher Legg, as Chief Financial Officer to EKC Schools Trust.** <u>Finance Director</u> The CEO advised that Joanne Harmsworth (JH) had recently been appointed as the Finance Director following a successful interview. JH will support the CFO with the day to day responsibilities at senior level for the Trust This appointment is a CEO appointment and is presented to Trustees for information.	

		JH started working for EKC Schools Trust on the 4th January. JH will not attend Trustee meetings unless required to do so but will work alongside the schools and prepare papers for the meetings. **NOTED: The appointment of Joanne Harmsworth, as Finance Director to EKC Schools Trust.**	
7	Trustees Report and Financial Statements for year ended 31 August 2020 Audit Findings Management Letter	The audited Trustees Report and Financial Statements were circulated prior to the meeting and the CFO advised that the RAC Committee had met directly prior to the Trustees meeting to receive feedback on the audited reports from the External Auditor. The Trustees Report and Financial Statements are for approval at the meeting today. There are some minor changes to the Statements still to be made but the CFO assured Trustees that this will not change any of the reported figures therein. The Trustees Report and Financial Statements need to be submitted by the 31st January 2021 and can be submitted online with e-signatures. The CFO provided Trustees with a brief summary of the six month reported financial accounts. The first of the main financial statements is the statement of financial activities. The income is made up of donations and capital grants and dominated by income and asset values transferred at conversion. This is the value of assets that came across at conversion from KCC. The charitable activities line is the income that the Trust received in the six months period and the expenditure on the charitable activities line is what was expended during that time. The actuarial loss is the Trusts share of the KCC Local Government Pension Scheme and brings the net assets balance to just over £11m. The CFO advised that the External Auditor drew the RAC Committee Trustees' attention to the funds of the Trust on the balance sheet which are the fixed assets fund, which is the sum of buildings and equipment and capital grant which has not yet been spent, the restricted income which is what was received at conversion from KCC and the trading for the year and pension reserve which is the net deficit of the Trust's share of the Local Government pension assets and liabilities, which brings the figure back to £11m. The CFO advised that the cashflow shows a slightly confusing position which includes a figure that had moved in and out of the accounts, this was not cash but was the amount transferred at conversion amounting to £826,000 of rolled over budget from the schools and a small amount that is the trading position. It was noted that £826,000 was in the Bank at the end of the year.	

The Chair of the RAC Committee (PG) assured Trustees that the External Auditor took the Committee through the Trustees Report and Financial Statements and had advised that this will look different next year. The Auditor was pleased with the Trust's financial position. PG noted that the Auditor had provided a comprehensive overview of the Audit Findings Management Letter. PG informed Trustees that the findings are split into two areas - regularity issues around controls and internal control weaknesses. There were two findings in the regularity issues and both were recorded as medium risks and the Auditor identified that they were considered medium as they were not fundamental systemic weaknesses and due to the length of time the Trust has been operating they had rated this medium. There were three internal control issues and two were rated medium and one that was rated low. The Auditor felt that this was a good outcome and the points had already been or were easily rectified.

The CFO was asked to discuss the key findings that had been identified by the Auditor.

Regulatory issues -

- Documenting reviews of monthly creditors and debtors – the CFO advised this is completed monthly, but the Finance Team could not provide a signed document to evidence this. The process has been changed.
- Producing monthly management accounts for the Chair and the wider Trustees every two months. For the period the Audit covered these had not been produced but these are now being produced monthly and they are published on the restricted Trustees area of the Trust intranet.

Control and weakness –

- Some debit balances in creditors. This was a one-off issue where direct debits were made and invoices had not been received and posted.
- EKC Group provides financial support to the Trust and a decision was made to change how this was dealt with. This was also a one-off issue.
- The amount of VAT claimed at the end of the quarter. New systems set-up controls have been put in place to ensure greater accuracy.

		The Auditor advised that the list was shorter than they had expected, and the aspiration is for no medium risks next year. PG advised that the report was for the first six months and new processes have been put in place. The Chair felt this was a good outcome and processes can be improved so things were positive moving forward. The Board of Trustees unanimously approved the Financial Statements. A final copy will be circulated by the CFO. **RESOLVED: The Trustees Report and Financial Statements 2019/20 were approved. The e-signing by the Chair of the Trustees and Chief Executive Officer will be undertaken following the meeting.**	
8	Matters considered confidential	No matters from the meeting were considered confidential.	
9	Date and time of next meeting	Date and time of next meeting 2 March 2021 at 1.30pm	

There being no further business the meeting closed at 5.00 p.m.

Signed: J Clarke. Print: JONATHAN CLARKE

Dated: 10th March 2021