

Meeting	MAT Risk, Audit and Compliance Committee	Date	Tuesday, 17 th November 2020
Location	Virtual Meeting via Microsoft Teams	Time	9.30 a.m.
Membership of the RAC Committee	Peter Goldsack (Chair), Peter Troke (PT), Summer Macer (SM)		
In Attendance	Tammy Mitchell (CEO), Chris Legg (CFO), Sharon Hollingsworth (DoG), Claire Edgeworth (CE) - Notetaker Guest: Duncan Cochrane-Dyett - Auditor McIntyre Hudson (DCD) joined the meeting at 10 a.m. for item 5 only		

	ITEM	COMMENTS	ACTION
1	Welcome and apologies for absence	The Chair welcomed everyone to the meeting and noted there were no apologies for absence.	
2	Declarations of Interest	The Chair asked if there were any Declarations of Interest and none were declared.	
3	Minutes of the meeting held 30 th September 2020	Everyone had received the minutes from the last RAC Committee meeting and the Committee agreed these were 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 that are not covered by the agenda. . Actions from the previous meeting were carried over to the next meeting.	

5	Draft unaudited Financial Statements	<p>The draft unaudited Financial Statements had been circulated prior to the meeting.</p> <p>The CFO provided a summary account of the Financial Statements and discussed the key points within the document. The Trustees queried the percentage target level staff costs within the Financial Objectives as for most schools this is 80%+. The CFO explained that this also includes the Trust costs and we usually pay 60% to 70%. The CFO advised that we had not saved much due to the schools being in lockdown as the pay costs are the greater proportion of expenditure and only marginal utility cost savings have been yielded.</p> <p>The Trustees questioned that the statements do not show any commitment to spend the money saved on pupils and the CFO advised that now we have the carry forward figures, the CEO and CFO will undertake a budget review with the schools and look at any immediate need.</p> <p>[DCD from McIntyre Hudson joined the meeting].</p> <p>DCD advised that they are still in the early stages of the audit and due to it being completed remotely, it was taking longer. DCD explained his background and that he had taken over from his colleague who had retired.</p> <p>DCD advised it was too early to go through the draft accounts in any detail but could talk through some points that have been highlighted during the fieldwork, but these are subject to the final report.</p> <p>1. DCD queried that the Management Accounts are not produced monthly. The CFO advised that they are except in month one and in month twelve due to the financial statements being worked up.</p>	
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		<p>[DCD left the meeting]</p> <p>The Trustees advised that as there were still figures missing, they were unable to agree and recommend the Financial Statements for Trust Board approval. The CFO advised that the figures from KCC had been expected but due to the delay the CFO agreed that the Trustees could not agree to recommend the Financial Statements for approval. The CFO explained that the deadline to sign off and submit the Financial Statements has been extended to 31st January. The DoG will arrange a RAC Committee meeting in January for the Financial Statements to be agreed and recommended to the Trust Board for signing. The DoG will also arrange a Trust Board meeting to approve the Financial Statements and to sign them off.</p> <p>The CFO advised that the cycle of business will be looked at for next year and that the Auditors will be brought in two weeks earlier to fit in with the timescales, subject to their availability.</p> <p>The Trustees queried that the money transfer from the Local Authority was a sizeable amount and queried what this figure was made up from. The CFO advised that it is the reserve that KCC had been holding for the schools.</p>	<p>DoG to arrange a meeting in January.</p>
6	Financial Regulations Update	<p>The CFO advised that on collating the information for the EFSA Audit, this has highlighted some changes to the Academies Financial handbook. The CFO gave an overview of the changes.</p> <ol style="list-style-type: none"> 1. New section J8 – purchasing of alcohol (prohibits purchase of alcohol using Academy funds except for religious events). 2. Expansion of section M3 to include the Trust’s responsibilities for the planning and oversight for capital projects (We have to advise the ESFA if we are acquiring or disposing over a certain level). 	

		<ol style="list-style-type: none"> 3. New section E2 – Trust attitude and responsibilities for borrowings (Trust approach to borrowing and we need to be more explicit. We have to get permission to take on overdrafts, loans or lease). 4. New section H3 – Trust’s responsibilities for novel, contentious and repercussive transactions. (To make sure we are not undertaking anything that is not in our remit or that will impact on other Trusts or schools in the area). 5. New section K5 - sets out the Trust’s responsibilities for making special payments (staff severance, compensation and ex-gratia payments to staff). 6. Replace Section I4 to cover write-off of debts and new Section i5 to cover the issuing of guarantees. (ESFA want to make sure we are not issuing guarantees that we should not be issuing). 7. New section A3 to cover anti-bribery and fraud. (This is covered in the sections in the Financial Regulations). This is about us being conscious about attempted fraud. <p>The Chair queried how gifts are recorded and the CFO advised these are recorded in the Gifts Register to show there is no collusion or inducement. The DoG will send round a form to complete to declare any gifts that have been received in the last year and the DoG will report this at the next meeting. It was agreed that we need to review this annually at the RAC Committee.</p> <p>The new financial regulations will come into force from the date when the Trust Board approve the changes. The Trustees of the RAC Committee endorsed all the changes.</p> <p style="text-align: center;">AGREED – The RAC Committee recommend that the Financial Regulations be approved by the Trust Board.</p>	<p>DoG to send form.</p>
7	ESFA Funding Audit 2020-21 of Briary Primary School	Briary Primary School had an ESFA Audit in October and the report came through to the School on 20 th October. The Audit covered the school’s processes for identifying pupils who were entitled to pupil premium funding and free schools’ meals. The Audit checked the processes and procedures against the numbers recorded and the	

		<p>report showed there was no errors found and no internal control weaknesses. The CEO will attach the report to the minutes.</p> <p>The Chair suggested sending a note from the Trustees to Briary Primary School to congratulate them. The CEO agreed and will draft a letter and ask the Chair of the Trustees to sign.</p>	<p>CEO to draft a letter and ask the Chair to sign.</p>
8	Any other business	<p>ESFA Audit The CEO advised that all the initial questions from the ESFA Auditor had been answered and sent off by the deadline in October and we have since received some more questions asking for further information. The CFO advised this is a desktop exercise and we are in a good place at this stage. Our financial management processes are comprehensive but where we have referenced the Academies Financial Handbook, the ESFA want us to mention it in our Regulations.</p> <p>The CFO and CEO are looking to use the internal auditors' work to follow up any recommendations from the ESFA Audit and to provide benchmarking advice.</p> <p>Risk Register It was noted that the Committee Chair had forwarded the details of the three risks to the CEO which the committee would like to deep dive at their next meeting. The CEO asked how the Chair would like this presented. The Chair advised this could come in one paper and look at the rationale, why the leadership team think this is the right rating and the controls that are in place to provide assurance. The CEO advised there will be another full review of the Register by the CEO, CFO, DoG and EKC Group Director of Corporate Services undertaken by the next RAC committee meeting so all the updates will be brought to the next meeting.</p>	
9	Matters considered confidential	<p>There were no matters considered confidential.</p>	

	Date and time of next meeting	The Committee agreed to move the meeting scheduled for the 9 th February 2021 to mid-January and to include the approval of the Financial Statements. Trustees to email DoG any dates that they cannot attend in January.	Trustees to email DoG any dates in January they cannot attend.
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Meeting closed 10.31.

Approved Minutes

Remote approval received from the Chair by e-mail on 13th January 2021

Print: Peter Goldsack

Date: 13th January 2021