

**Ted Wragg Multi-Academy Trust
Audit Committee meeting**

Minutes of meeting held on Monday 22nd February 2016 at Exeter College, Hele Road, Exeter, EX4 4JS

Present: Richard Jacobs (Chair)
Debra Myhill
Rob Bosworth
Lewis Banfield
Lizzy Anderson
Josie Medforth

Minutes: Steph Barnard

1.	<p>Welcome, Apologies and Declarations of Interest No apologies for absence were received. No declarations of interest were recorded. RJ welcomed Josie Medforth to the meeting and thanked for her contributions to agenda.</p>	
2	<p>Minutes of Previous meeting The minutes of the previous meeting on 23rd November were agreed as accurate record.</p>	
3	<p>Matters Arising Role of Responsible Officer/schedule of checks – LB confirmed that he met with the Responsible Officer, Ian Rogers, in December and agreed a schedule of checks/visits. LA confirmed that the RO visited Isca last week, as part of the schedule of visits, but hasn't submitted his report as yet. LB agreed there would be three visits throughout the year and LB will monitor this going forward. LA/LB agreed to ask the RO to fix the visit dates in advance.</p> <p>Employment contract – LA confirmed that this action was ongoing but that the vast majority of files at Isca had been checked to ensure employment contracts were signed, with one final batch to check.</p> <p>Apprentice post – LA confirmed that the post was advertised just before Christmas via Exeter College. There has only been a small amount of interest so far with not strong enough applications as in previous years so will continue to advertise.</p>	<p>L/LB</p> <p>LA</p>
4	<p>Update on New Master Funding Agreement JM explained that whilst supporting St James in their academisation a Supplemental Funding Agreement was required, however the new Supplemental Funding Agreements are not compatible with our existing Master Funding Agreement for the Trust. It was therefore agreed by DM and MM (via email) that the Trust should move over to the new Master Funding Agreement.</p> <p>Michelmores have undertaken a comparison of the old and new agreements, which JM has provided, and all the new agreements</p>	

	<p>will be signed at the same time as the academy transfer paperwork for St James.</p> <p>JM also mentioned that under the new legislation the term/name Multi Academy Trust will go so the Trust may want to consider using the Ted Wragg Trust as the formal name. Agreed to consider this for future changes.</p> <p>JM summarised the changes as outlined in the comparison document. Pupil premium reporting needs to be reviewed at St James – JM will take forward with Steve Farmer.</p>	<p>JM</p>
<p>5</p>	<p>Due Diligence policy</p> <p>JM explained that the need for a Due Diligence policy arose with the possibility of taking on new schools within the Trust, but confirmed that it is good practice to have a policy/checklist to complete before final decisions are made.</p> <p>JM and LA will undertake a Due Diligence check and will bring this back to Audit Committee and then a full Trust meeting.</p> <p>LB suggested an addition to the checklist regarding Trust capacity to manage the change/decision. JM confirmed that this is referred to in the report but is not on checklist. Agreed to add to checklist.</p> <p>LB also suggested the addition of something specific on contract/hire agreements, and whether anything needs to be added about PFI schools. JM will add into the policy.</p> <p>LB also mentioned lead in funding and the need to identify any additional funding available as part of that process. JM will add to the policy.</p> <p>RJ queried HR issues and JM confirmed that this was included under staffing, so will be reviewed as part of the process.</p> <p>DM requested that text was added about Exeter Area schools and complementing the portfolio of Trust. JM will incorporate this into the policy.</p> <p>RB suggested a caveat on the checklist on 'where it exists/already in place' as some areas won't apply to some new schools. JM will update</p> <p>All agreed for the policy to be put forward to the Board of Trustees for approval and once approved, added to the policy section of Trust website.</p>	<p>JM/LA</p> <p>JM</p> <p>JM</p> <p>JM</p> <p>JM</p> <p>JM</p> <p>JM</p> <p>JM/SB</p>
<p>6</p>	<p>Policy Review</p> <p>JM proposed that the following policies be reviewed by the Trust to take into account recent and proposed expansion of the Trust, and to set up reviews of policies going forward:</p>	

	<p>a. Finance Policy b. Expenses Policy c. Competitive Tendering Policy</p> <p>JM summarised the policies and proposed changes. The Committee agreed to add a caveat to the Competitive Tendering Policy regarding budgeted and non-budgeted spend, and also that anything over £10k advice should be sought from JM who will monitor.</p> <p>JM recommended that the terms of reference for the Audit Committee where amended to give the Committee authority to approve these types of policies before they are recommended to the Trust Board. All agreed with this proposal and requested that these policies are added to the agenda for next Trust board.</p> <p>Finance policy – all agreed for JM and LA to review this policy and bring back to the Audit Committee for review/approval.</p> <p>Expense policy – JM and LA to review/update this policy to include Governors so that it is a Trust policy and bring to Audit Committee for approval.</p> <p>JM to set up a document outlining the review cycle of policies.</p>	<p>JM</p> <p>JM SB</p> <p>JM/LA</p> <p>JM/LA</p> <p>JM</p>
7	<p>Review of Management Letter RJ explained that the Trust has a new Management Letter from Bishop Fleming following the recent end of year audit. The Trust needs to formally respond to this letter. Agreed for SB to prepare the response.</p> <p>RJ reviewed each point of the letter as follows:</p> <p><u>Independent Checking of Controls</u> – confirmed that the first visit has taken place and further meetings scheduled. The Trust agreed for consideration of an independent internal auditor.</p> <p><u>Employee contracts</u> – JM will incorporate this in the planned HR report to the next Trust meeting. Management response to confirm that COO is reviewing HR processes.</p> <p><u>Control account differences</u> – LA has actioned this point</p> <p><u>Pupil Premium</u> – LA has actioned this point.</p> <p><u>VAT</u> – LA confirmed that whilst we are not yet making monthly claims, the frequency of VAT claims has increased and will continue to do so.</p> <p><u>Restricted/unrestricted funds</u> – LA confirmed that this is reported.</p> <p><u>Accruals</u> – LA confirmed that the Trust records these on a spreadsheet.</p> <p>All other points on the Management Letter were now closed.</p>	<p>SB</p> <p>JM</p>

<p>8</p>	<p>Review of Risk Register</p> <p>JM suggested a more in depth review of the current Risk Register to incorporate more structure, a wider remit and also a risk policy to clarify the Trust's appetite to risk. JM provided examples of changes to consider including change of layout, introduction of categories and a different scoring structure.</p> <p>All agreed with the introduction of categories within the register and for the consideration of a new template, definitions of the rating of risks, together with a background risk policy.</p> <p>JM agreed with RB's point of providing some training to the committee on risk rating.</p> <p>RJ reviewed the existing register as follows:</p> <ul style="list-style-type: none"> - Risk 1 – remain same - Risk 2 – remain same - Risk 3 – increase due to resignation of School Improvement Officer. Change net risk to 2 & 2 = 4 - Risk 4 – remain same - Risk 5 – LA confirmed that we had still not had any utility bills but that the overall costs had not gone up. JM agreed to reword this risk but figures remain the same. - Risk 6 – remain the same. Current actions include more schools joining the Trust, advertising for an accountant and apprentice, and not completed testing of CEC systems yet. - Risk 7 – remain high as a lot of change within current LGBs. DM summarised that for Isca governors – all those on their second term plan to stand down at the end of their term, but we have 3 new ones interested and another application to review. We are revising our interested governor application form to include referee details too. St James doesn't have a full time clerk at present and they are asking for our views on the appointment. DM & RB will discuss clerk roles in their next 1:1 meeting. - Risk 8 – remain same - Risk 9 – remain same - Risk 10 – agreed to increase the gross risk, due to the increase in our sector, to $4 \times 4 = 16$ and $2 \times 2 = 4$ - Risk 11 – remain same as not been able to test all systems yet - Risk 12 – reduce, due to appointment of primary head and COO, to $3 \times 2 = 6$ and $2 \times 1 = 2$ - Risk 13 – JM working with Paul Weekes on safety policies but agreed to keep risk the same at present. <p>RB requested the addition of a risk on the Transfer of the land at Cranbrook Education Campus from DCC – gap contract (Tenancy at Will). Michelmores are currently working on this with JM. JM added that the 12 months defects period is also due to end so should be tied into the transfer of land risk. JM working with CEC to find out more information on the list of snagging and getting specialist advice.</p>	<p>JM</p> <p>JM</p> <p>DM/RB</p>
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	<ul style="list-style-type: none"> - Risk 14 – remove - Risk 15 – remove - Risk 16 – LA put into budget next year for CEC – remain same <p>Agreed to review at the next committee meeting and JM will produce a revised risk register for this review.</p>	JM
9	<p>Feedback on Bishop Fleming Academy Seminar LA agreed to email the Benchmarking report to all for information.</p> <p>LA explained that there were new EFA tools that we can use for benchmarking going forward and ideas on standard information we can give to Governors/Trustees. The seminar also addressed some of the conversion pitfalls i.e. pension rules.</p> <p>LA reported that the seminar highlighted the key issues facing MATs which included changes in exams, teacher shortage, surge in pupils, and impact of free schools.</p>	LA
	<p>AOB</p> <p>RJ asked if the Audit Committee should have a slot at the Away Day to update on current role. DM agreed for the Trust Away Day, but not the Governors Summer Conference.</p> <p>All to ensure that refer to the Board of Trustees rather than Trust – as each school is part of the Trust.</p> <p>DM confirmed that a mechanism was needed regarding decision making responsibilities of LGBs so that they are more involved in relevant decision making. JM felt that the current Scheme of Delegation needed to be reviewed as it doesn't match our Articles of Association and would address decision making responsibilities. Agreed to review Scheme of Delegation.</p> <p>RJ asked about costings for new appointments to the Trust and how this was reviewed/monitored. RB explained that this should come under a sub-committee, potentially Finance & Personnel, so that decision are made at Committee level and then reviewed by the Board of Trustees. This will be dealt with under the Trust structure review.</p> <p>JM explained that the Trust needs a Conflict of Interest policy set up as we currently only have a register. All agreed for JM to use the proposed policy in the interim, until formal approval by the Board of Trustees.</p> <p>JM explained that Alex Walmsley attended a meeting with Michelmores regarding PFI and asked if we are interested in investigating the options provided in more detail? All agreed that this wasn't a priority at present. JM agreed to put on hold.</p>	<p>DM</p> <p>All</p> <p>JM</p> <p>JM</p>

	JM asked whether we wanted to look at retendering for future legal work due to planned growth of Trust, as this might lead to better value for money. All agreed for JM to look into this further.	JM
	Date of next meeting: Monday 9th May 2016	
	Future agenda items:	