

## Minutes of meeting

### Audit Committee

Date:	Wednesday 12 February 2020	Time:	10:00 – 11.00
Location:	Birmingham OAT HO	Clerk:	Claire Lovell
Apologies:	<b>Peter Murray</b> , Founding Chair and Trustee		
Present:	<b>Ian Brookman</b> , Trustee and chair <b>Frances Hall</b> , Trustee <b>Andrew Jones</b> , Trustee	In Attendance:	<b>Nick Hudson</b> , Chief Executive Officer and Trustee <b>Joanne Dawson</b> , National Director of Finance <b>Claire Lovell</b> , Head of Compliance and Reporting <b>Sarah Vout</b> , Head of Finance <b>Sam Thomson</b> , Head of Academy Finance <b>David Hoose</b> , Partner Mazars <b>Rachael Wright</b> , Manager Mazars

Item	Minutes	Action
1.	<b>Welcome and apologies</b>	
2.	<b>Approval of minutes from previous meeting</b> The minutes of the meeting on 27 November 2019 were approved.	
3.	<b>Matters arising from previous minutes</b> It was requested that “business as usual” elements are to be removed from the tracker, so that it includes points that are only relevant for the Audit Committee.  It was discussed that JD is reviewing the overall governance process with involvement from the Executive. There is a further meeting in February which needs to identify and agree the new process. The bar needs to be reset as to what will happen in sub-committee meetings and what information is presented.  The Trustees questioned responsibilities for Governance and Risk – to address in the meeting at the end of February.  The Trustees queried as to what progress had been made regarding a Risk and Compliance Manager that was discussed at previous meetings. JD confirmed that the role previously discussed will form part of CL’s Head of Reporting and Compliance role.  <b>Safeguarding</b> It was agreed that in light of the safeguarding lead leaving, the role would now be a full-time post. The scope of the role will be clarified. It was agreed that this role would not be merged with the risk and compliance manager role that had previously been discussed. This role would report directly into the National Director for Education. Safeguarding is currently overseen by SYP.	CL  NH  NH

		A GDPR lead has also been appointed that reports to the National Director of Estates and Technology.	
4.	<b>Update on risk management report</b>	<p>JD presented the risk management timetable. IB stated that this does not include training for Board members.</p> <p>Mazars will present at the summer Board meeting to address this.</p> <p>The Trustees questioned whether there is the resource to deliver this in the action plan. CL stated that due to the appointment of RF she will have more time to pick up other areas.</p> <p>The Trustees requested the use of cover sheets, so that the Trustees can clearly see why each item is on the agenda and what is required from the Trustees for each item, such as info only, approval etc. JD encouraged the Board to think about what their role is and what information they would like to see.</p> <p>The Trustees identified that the public sector and the commercial sector expectations of boards are different.</p>	<p>CL</p> <p>JD</p>
5.	<b>Internal audit reports</b>	<p><b><u>OAT Internal Audit Annual Report (Mazars)</u></b></p> <p>RW presented the annual report.</p> <p>DH noted that the ESFA now require an Annual Internal Audit report, that is submitted along with the financial statements. The 2019/20 report will be presented at the November Audit Committee meeting.</p> <p>The Committee discussed the opinion that was given in the report – in terms of it being binary and its level of assurance. The Trustees questioned how the opinion was reached. DH explained that this is judgemental, based on reviews of individual work streams and results. The Trustees need to understand triggers for any inadequate judgements and whether this has a larger impact on the organisation.</p> <p>The Trustees noted that many MATs still do not have internal audit visits. DH expects that the ESFA requirements for internal audit will strengthen.</p> <p><b><u>BHOA Compliance Report</u></b></p> <p>Succession planning was discussed in the pre meeting.</p> <p>The Trustees summarised and identified that this is an issue that needs to be resolved at Trust level.</p> <p>Mazars are to audit top down the governance model in Spring 2021 once the Trust have decided on this. To be discussed at EBM on 26/2.</p> <p>The Trustees queried whether any other schools are doing any PAT testing and whether they are recording it properly. Cover sheets should identify and advise the Trustees of the potential impact of the issue on the Trust and outcome.</p> <p>JD clarified that in the Mazars pre-meeting it was agreed that a better timeframe, review of the scope of Mazars visits and timely delivery of their reports will allow this to happen in advance of the audit meetings.</p> <p>JD stated that a standard template has been developed for balance sheet reconciliations and training had been provided in January. They will then be reviewed and approved centrally by CL. Some of the work surrounding this will be centralised with the single ledger.</p>	<p>CL</p>

		<p>The Trustees stated that the summary sheet needs to identify all of the issues relevant to the Audit Committee and the impact of these.</p> <p><b><u>Update on outstanding compliance points (OAT – Follow Up report)</u></b></p> <p>CL presented the overview.</p> <p>The Trustees queried why there were some issues greater than 18 months old. CL stated that this relates to skills audit where three quotes are not always been obtained.</p> <p>The Trustees stated that this links into the decision framework as it is unclear who is responsible for some of these areas. For example, Regional Directors do not necessarily work closely with finance. However, this is improving and risk reviews are been built into the budget process. A more holistic approach is needed with regards to involving Principals.</p> <p>NH noted that the issues should be resolved at a lower level than the Principal generally but noted the escalation of the process.</p> <p>JD and DH suggested there should be a timeframe for recommendations to be implemented. CL noted that this was on the individual reports, but not on the overall follow up summary.</p> <p>The Trustees identified the weakness in the devolved P to P process.</p> <p>JD stated that they are resetting the bar as to what is acceptable for purchasing.</p> <p>ST highlighted that some of the outstanding issues relate to governance and should be chased centrally by the Governance team.</p> <p>The Trustees challenged as to what the action should be. Skills audit should be followed up from the centre and it should be checked that training plans are put in place following on from this.</p> <p>JD stated that this was a capacity issue and queried whether SYP has the scope and resources to do what she needs to do.</p> <p>DH stated that the reason for the most common qualified regularity audit opinion in academies is not following own internal procedures for purchasing.</p> <p>NH stated the need to work to shift the culture around procurement.</p> <p>The Trustees stated that not following the procurement process needs to lead to disciplinary action to reinforce the culture.</p> <p>JD stated that the messaging between HR and Finance needs to be aligned.</p>	<p>CL and SYP</p> <p>JD and CB</p>
6.	<p><b>Any other business</b></p>	<p>CL outlined the internal audit plan for 2019/20 and this was agreed.</p> <p>The Committee agreed a July meeting is needed to agree the Internal audit plan and to follow up on budget reviews.</p>	
<p><b>Date of next meeting: Wednesday 13 May 2020, location TBC</b></p>			