

## Minutes of meeting

### Audit and Risk Committee meeting

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| Date:   | Wednesday 24 February 2021 | Time:  | 9:00 – 10:00   |
| Location:   | TEAMS                      | Clerk: | Jennie Gardner |
| <p><b>Present:</b><br/>Andrew Jones, Trustee (AJ)<br/>Frances Hall, Trustee (FH)<br/>Ian Brookman, Trustee and Chair (IB)</p> <p><b>In attendance:</b><br/>Nick Hudson, Chief Executive Officer and Trustee (CEO) (NH)<br/>Jo Dawson, National Director of Finance (NDoF) (JD)<br/>Mark Lunn, Internal Auditor, Mazars (ML)<br/>Claire Lovell, Head of Compliance (CL)<br/>Sarah Vout, Head of Finance (SV)</p> <p><b>Apologies:</b><br/>None</p> |                            |        |                |

|     | Item  | Action |
|-----|---|--------|
| 1.  | <b>Welcome and apologies</b>  |        |
| 1.1 | The Trustees welcomed the update from ML whilst the committee awaited IB.   |        |
| 4.  | <b>Internal audit update (Mazars)</b>   |        |
| 4.1 | <p>ML gave a verbal update to accompany the summary report. ML clarified that the full update report is included in the appendix of the meeting documentation.</p> <p><b>The Trustees noted there are still minor compliance issues across some academies and that this is disappointing. These were not considered to be systemic issues, but reflect the devolved nature of the trust's systems.</b></p> <p><b>The Trustees welcomed the new report format (one summary report to present and full report in the appendix) and stated it allowed easier understanding whilst doing the committees remotely.</b></p> <p>ML and CL concluded that there no major concerns with internal audit at this stage, and that there will be a more substantial update at the next Audit and Risk Committee.</p> <p><i>IB, the committee chair, entered the meeting.</i></p> <p><b>The Trustees expressed concern at estates compliance issues and considered the position to have deteriorated despite engaging Bellrock and Concerto in this area. The Trustees questioned Ormiston Academies Trust (OAT)'s success in managing suppliers. CEO and</b></p> |        |

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|     | <p>NDoF stated that OAT is working to have more rigorous processes in place to become better at managing contracts and managing third parties in a more comprehensive way.</p> <p>NDoF noted that the issues raised by the internal audit work were expected, clarifying that the internal audit reports are drafts and that work is being done with the estates team to improve statistics, lifecycle management, academy data (dashboards), and management of Bellrock, and between finance and HR mitigate issues around payroll processes. NDoF noted that the EPM payroll contract is due for renewal/re-tender, with an intention to extend the contract for 12 months to allow 3-4 months to design payroll processes and determine scope of tender specification.</p> <p><b>The Trustees asked that James Miller (OAT National Director of Estates and Technology) gives an update at the next OAT Board on the management of Bellrock and gives assurance that basic compliance tests are in place.</b> CEO agreed to the above.</p> | CEO          |
| 4.2 | CL presented the Audit Tracker.   |              |
| 4.3 | <p><b>The Trustees asked CL to email the Audit Tracker document after the meeting, as the original format was not user- friendly.</b></p> <p><b>The Trustees asked that all documents that are loaded as papers, are user-friendly and easy to interpret. It was agreed that the Trust would review whether Passageways is an appropriate platform for managing Board and Committee documents, and to arrange training if considered helpful.</b></p>   | CL<br>JG     |
| 2.  | <b>Approval of minutes of previous meeting</b>  |              |
| 2.1 | <p>The Trustees asked that, in section 4.1 of the previous minutes, context was added to confirm that it was the first time that such comprehensive data extraction from Hoge had been attempted, and also to confirm that no issues arose from the EPM data once it had been received.</p> <p>The minutes from the previous meeting on Wednesday 25 November 2020 were then marked as approved.</p>  | JG           |
| 3.  | <b>Matters arising from previous minutes (action tracker)</b>   |              |
| 3.1 | <p><b>IB noted concern that there is a rolling contract with the external auditor and that delaying a re-tender of the external audit so that it doesn't coincide with the implementation of a new finance system could lead to the external auditor being in place for a significant period if the system implementation is delayed, as is being discussed.</b> The committee highlighted that RSM have been OAT's external audit provider for four years. The committee discussed RSM's role to date, acknowledging that there are no concerns with this relationship at present and the progress made in the 19/20 audit, however noting that we should consider the requirement to review value for money in this area. NDoF will consider these concerns and give an update at the next Audit and Risk Committee.</p>  | NDoF         |
| 5.  | <b>Update and consultation on Financial Delegation of Authority</b>   |              |
| 5.1 | <p>NDoF gave a verbal update to accompany the paper, noting that this piece of work has proved to be useful in identifying gaps in financial policies, which are now being addressed. NDoF proposed to present a final document for approval at the next Audit and Risk Committee, with the aim of implementation in September 2021.</p> <p>NDoF will share a draft of the document via email for feedback from the Trustees one month before the next Audit and Risk Committee.</p>  | NDoF<br>NDoF |

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|     | <b>The Trustees gave positive feedback and there were no other comments.</b>  |                        |
| 6.  | <b>Risk</b>   |                        |
| 6.1 | <p>NDoF confirmed the risk registers have been distributed, and 23 out of 40 academies responded with the name of their risk lead. CL has been providing training and there has been positive feedback from academy governors. NDoF is encouraging academies to look at risk in detail annually as part of their strategic review in the summer term. OAT will also be following this format with the full risk register.</p> <p><b>The Trustees highlighted reputational risk and where this fits in with the existing 10 areas of focus. The Trustees also commented on the “5-year strategy” although it is not supported by a detailed strategic plan.</b> NDoF understood these concerns and clarified that reputational risk could make up part of area of focus 1 “Trust Strategy, Growth, Transformation and Stakeholder Engagement”, and noted that the OAT Executive Team have been working on a detailed plan.</p> <p><b>The Trustees discussed if the impact of Covid-19 had derailed the timelines of the strategic plan.</b> CEO will review this.</p> <p><b>The Trustees asked when the assurance framework will be ready and will provide a high-level summary.</b> NDoF confirmed that this will be presented at the next Audit and Risk Committee and that it is due for sign off in July 2021.</p> <p>CL confirmed the ongoing work with academies to ensure engagement.</p> | <p>CEO</p> <p>NDoF</p> |
| 7   | <b>School resource management self-assessment tool</b>  |                        |
| 7.1 | <p><b>The Trustees noted and approved the checklist document.</b></p> <p>There were no other comments.</p>  |                        |
| 8   | <b>AOB</b>  |                        |
| 8.1 | <p><b>The Trustees asked that the ‘raised’ column in the committee action tracker is completed going forwards.</b> NDoF confirmed that this was a new column which has been added and which will be populated going forwards.</p>   | NDoF                   |
| 9   | <b>Date of next meeting</b>   |                        |
| 9.1 | Wednesday 9 June 2021, 10:00 – 12:00  |                        |