



TRUST BOARD AUDIT & RISK COMMITTEE

Minutes of a Meeting of the Audit & Risk Committee of the Trust Board of South East Cornwall Multi Academy Regional Trust held on Wednesday 11th December 2024 at 4.45pm.

Present	Yes/No	In attendance	Yes/No
Mr Marcel Aarts	Yes	Mr Dan Buckley, CEO	Yes
Ms Jody Chan-Penney	Yes	Mrs Jo Lumbar, CFO	Yes
Mr Lee Hallam	Yes	Ms Kate Williams, Clerk to Trust Board	Yes
Mr Neill Toms, Chair	Yes	Mrs Alison Oliver, Bishop Fleming	Yes
		Mr Jamie Crisp	Yes
		Mrs Lydia Lawson	Yes

1. **Welcome**

The Chair welcomed everyone to the meeting.

2. **Declaration of Business or Pecuniary Interest and Academy-related parties - update on any changes since completion of written declaration**

None.

3. **Apologies for Absence**

Mr Aarts had advised that he would be arriving late to the meeting.

4. **Approval of the minutes of the previous meeting held on 11-07-2024**

The minutes of the meeting held on 11th December 2024, having been circulated in advance, were agreed as an accurate record.

5. **Matters Arising**

M32. Consider strategic risk including new and emerging risks

b) A Trustee asked if this is a paid for service. Mrs Lumbar advised that this is the case. **A Trustee asked if we can put some more pressure on the CST for a timeline.** Mrs Lumbar will discuss this with them to ensure it is in place for September.

Update: Complete.

M38. AOB

b) Energy contracts

Mrs Lumbar advised that the contract for one meter at Liskeard can now be procured. The energy broker will go to market tomorrow and Mrs Lumbar will be in contact with Trustees for an agreement on a proposal. Trustee asked for a reminder by text.

Update: Complete.

6. **Presentation of draft Accounts and Management Letter: Bishop Fleming**

Documents were circulated in advance of the meeting. From these:

Mr Aarts joined the meeting at 16.57.

a) Mrs Oliver highlighted the key points on the KIDD and the accounts.

The audit is complete and they are anticipating issuing a unmodified report. There is no change to accounting policies. The regularity and main accounts letters have been issued and there are no bespoke points in these letters.

- b) Key audit risks and other findings – standard risk
In terms of the management of financial override, there were no material errors found.
- c) Fraud and income recognition – standard risk
No issues found.
- d) Unauthorised transactions
Nothing reportable.
- e) Transactions of related parties
No issues.
- f) Unauthorised borrowing
Nothing identified.
- g) Other audit and financial reporting matters
The auditors are required to flag schools that have deficits and the management comment has been given as an explanation.
- h) Pension valuation
The deficit has decreased which is in line with other Trusts. Bishop Fleming are happy with the approaches being used by the Trust.
- i) Saltash Community School
The termination notice warning has been withdrawn so no further work is needed in this area as low risk. **A Trustee referred to the management comment about the change in government policy and asked is it accurate.** Mr Buckley advised that this needs to be two separate comments and Mrs Lumbard will provide an amendment to the management comment.
Action: Mrs Lumbard
- j) Management letter feedback
Bishop Fleming has a RAG (Red, Amber, Green) rating for the management letter. There are no red issues so the 2024 points are clear. Mrs Oliver advised that the Trust have been running on a slim finance team so where there have been actions identified, it is expected that these will be resolved now that the finance team is at full capacity. There are low banking rates which Mrs Lumbard is addressing. In terms of the procurement policy, we have not been able to gather evidence of a procurement process being followed for one small value item but auditors are happy with the management response.
- k) There is a lack of balance sheets being produced for the internal management accounts. It is orange due to being an ATH (Academy Trust Handbook) requirement and additional capacity should address this. For the fixed asset register, some were not capitalised in line with policy. There has been an oversight of not chasing up on a VAT refund that has been made but checks are now in place. In terms of journals, we have not been able to tie down posting gaps and there have been delays which should be addressed with additional staffing. There are thresholds for posting journals for which we need to increase control to reduce risk.
- l) Letter of representations
A Trustee referred to the pension which is a negative figure and asked what does this mean. Mrs Oliver advised the pension scheme is valued at a specific time and at this point, there would be a theoretical liability to pay which has reduced from last year. The deficit is underwritten by the government to protect staff. **A Trustee asked how this is calculated.** It is based assumptions which include life expectancy and senior graded staff. **A Trustee asked if there is tolerance on this for Trusts.** Mrs Oliver advised that there probably has been significant deficit for SMART over the years which would be in line with most Trusts, it is only this year which we have seen a few surpluses. Mrs Oliver advised the LGPS (Local Governor Pension Scheme) position is reviewed every three years. Mrs Lumbard advised this is the lowest deficit it has ever been.

- m) Mrs Oliver explained the adjusted and unadjusted items. There is a low list of items which is a credit to the finance teams.
- n) Annual Report and Accounts
Mrs Oliver advised that Trustees need to be content with the contents of the report and it is compliant. It was noted that there needs to be an amendment to the spelling of Mr Aarts and Ms Chan-Penney's names.
Action: Mrs Lumbard
- o) Reserves
Mrs Oliver advised that she wanted to flag the Reserves Policy and the amount of reserves being held. **A Trustee asked if we do actually need to change the policy.** The guidance is that Trusts should have 5-20% reserves. SMART have about 5% and we are working within the government guidance.
- p) Going concern
Trustees need to give their view that the Trust is a going concern and Bishop Fleming have no concerns that the Trust is not a going concern. Mrs Oliver flagged staffing costs in terms of the number of staff in the higher pay banding of £60k plus but this is consistent with other Trusts. **A Trustee asked if this is just teaching staff.** Mrs Oliver advised that this is any member of staff earning £60k and above in the Trust. Mrs Lumbard advised this is mainly teachers. Mrs Oliver added that in terms of the funds comment, the Trust is using up the Pupil Premium (PP) and smaller grants each year so there is nothing unusual. There is a summary of related parties transactions and Mrs Oliver asked if there was anything else that needs disclosing. Trustees were not aware of anything.
- q) Financial overview
The surplus for total Restricted funds is £303K. **A Trustee asked about the PP balance at year end and is it the aim to have this as nil at the end of each year.** Mr Buckley advised that this is the case. There was some carried forward to this year to use. **A Trustee asked if this could be spent on these pupils and if this can be spent better.** Mr Buckley advised that some staffing costs are taken from PP funding and if staff leave, it can impact spending. Some of the funding is also used for hardship and supporting pupils with trips etc. There was a sum brought forward from the previous year. Mr Buckley explained that we must make sure that all spending has an impact. **A Trustee noted that this is a large sum of money which has not been used.**
- r) Mrs Oliver asked if Trustees are aware of any claims which need to be brought to their attention which they were not. Mrs Oliver thanked the Finance team for their support with the audit process.

Mrs Oliver left the meeting.

- s) **A Trustee asked how many years Bishop Fleming have been our auditors.** Mrs Lumbard advised they have been in place since 2011 and we tender for auditors every 5 years. Bishop Fleming do recognise the need for independence so we have a new account manager. Members appoint the auditors. **A Trustee asked if we had many tenders submitted.** It was advised that we had three plus Bishop Fleming.
- t) Mr Buckley explained that the surplus for PP was high for last year and we need to look at ways of spending this. Mr Buckley would like to have a focus on PP next year. Mrs Lumbard explained that the finance managers meet with the PP lead in the schools to give monthly updates on what is available to be spent. There are changes which happen over the year and we might need to look at reviewing spending mid-way through the year. Trustees felt that a PP discussion would be beneficial in a future Learning committee meeting. The Clerk to add to the agenda.
Action: The Clerk
- u) **A Trustee asked if there is still a stigma around PP for families.** Mr Buckley advised that this is still the case, but schools have some innovative ways of getting around this, most notably Dobwalls recently who teamed up with the foodbank to do cooking with paid for ingredients that brought in over 70 parents. This model is now being used in other schools by the food bank given its success..

- v) **A Trustee asked about how much of the £3million bank balance can we get a good return on.** Mrs Lumbard advised that she has discussed this with the bank relationship manager and we can sweep between bank accounts to try and get the best result. **A Trustee asked about if it is possible to utilise endowments.** Mrs Lumbard advised that the Academy Trust Handbook does not allow this.

7. **Consider strategic risk including new and emerging risks**

A document was circulated in advance of the meeting. From this:

- a) Mr Buckley explained that the Risk Register will also be discussed in the Trust Board meeting. The governance review states that the Executive Leads need to highlight key areas for Trustees. The Chair of the Trust Board suggested that the Audit & Risk committee need to review all risks and highlight the risks to be discussed further by the committees. It was agreed that changes in risk are a key focus for Trustees.
- b) Confidential appendix.
- c) Confidential appendix.
- d) Decreasing leadership capacity
Mr Buckley advised we have a change in staff capacity. There will be a new headteacher at Looe, a new deputy at Landulph, a new executive headteacher at Trewidland and an inability to recruit to a HR post at Liskeard. **A Trustee thought we had a HR lead.** Mr Buckley advised we have a Senior HR lead for the Trust and all the schools have a HR staff member. There are no HR staff available to buy in on a supply contract. **A Trustee asked how big the HR team is and why is there a lack of capacity.** Mr Buckley advised we have one full time member of staff and a part time person for the Trust. We are trying to align HR systems including pay scales across the Trust which has impacted Trust HR staff. **A Trustee asked about risk in terms of advertising posts and internal staff viewing these.** Mrs Lumbard advised that all job descriptions are being checked by the Trust HR staff.

Mrs Lawson joined the meeting at 17.56.

- e) **A Trustee asked about capacity of the Headteachers to support the other schools.** Mr Buckley advised that none of the Headteachers were deputies 6 years ago and so our experience base is very low. Headteachers later in their career have capacity for this. **A Trustee asked if it is possible to have fast tracking to build capacity.** Mr Buckley explained that leadership ladders are used to identify where there is potential and as a Trust we have records of having raised these levels well.
- f) Excluded from expansion by poor ratings
Realistically expansion is pushed back 12 months. There is no government policy at the moment on expansion.

8. **Summary of matters for the Trust Board**

- a) The committee agreed to recommend the Audited Accounts to be approved by the Trust Board.
- b) Mr Toms will be chairing the A&R committee in future.

9. **Agreements made by email – For information**

- a) None.

10. **Date of next meetings:**

A&R and Resources 25-03-2025 at 6pm, A&R and Resources 03-06-2025 at 6pm and Resources 10-07-2025 at 6pm.

The meeting closed at 18.02.

