

Attendees:	Mr Kevin Borg (KB) (Director) Mrs Heather Bowman (HB) (Chair of Directors) Mr Charles Bradshaw-Smith (CBS) (FAR Chair and Director) Mrs Angela Burns (AB) (Director) Mrs Sue Cockayne (SC) (Director) Mrs Shanie Cole (SCo) (Finance Manager) Mrs Charlene Gethin (CG) (CEO and Director) Mr Peter Halifax (PH) (Vice Chair of Directors) Mrs Melanie Havelock-Crozier (MHC) (Vice-Chair of Directors) Mrs Caroline Humphries (CH) (Director) – <u>via Teams</u>
Also in attendance:	Simon Hawkins (Senior Statutory Auditor, Dains Audit Limited) Sid Slater (National Leader of Governance) Mrs Lisa Canton (Clerk)
Documents circulated prior to the meeting	Audit report from Danes Trustee report CIF bid papers

The meeting started at **8.33 am.** and was declared quorate.

	Agenda Item Title	Minutes
1.	Prayer	The Chair opened the meeting and welcomed everyone. CG led the opening prayer.
2.	Apologies	All were in attendance. CH had joined the meeting via Teams.
3.	Pecuniary Interest and Statements of Assurance	Directors had completed the Pecuniary Interest Form on OneDrive and the Register of Pecuniary Interests and Statements of Assurance had been updated. Action: Claire Shaw and David Grewer to complete the Pecuniary Interest Form on Google forms sent.
4.	Finance Audit	Presentation of audited annual accounts by Dains (<i>see audit report from Dains</i>) Simon Hawkins distributed hard copies of the report and explained the audit process. Clarification was made in respect to the report's focus on the <u>most significant matters</u> arising from the audit of the Trust's financial statements. This was the Trust's first year of audit with Dains. <i>MHC arrived at 8.38 am.</i> Directors were focused on the following sections of the report: (N.B. <i>Directors</i> are referred to as Trustees in the report)

Section 1: Responsibilities, ethics and status of audit

1.1: Responsibilities of the Trustees were provided as statutory reminders.

1.2: Audit position: The audit required finalisation with an unqualified opinion anticipated.

1.5 - 1.7: In line with statutory regulations, the audit focussed on the *level of risk* of the two significant areas identified and subsequent *actions* which had had been taken to mitigate these risks.

Section 3: Audit discussion points

Matters deemed to be breaches of the Academy Trust Handbook (*the Handbook*) were discussed:

3.1: Regularity breaches and related party transactions:

- **Granting of a leasehold interest:** A 12-month leasehold contract with a tenant had been renewed prior to the Trust obtaining EFSA (Education and Skills Funding Agency) agreement. This was determined to be a technical breach of which the Trust had not been aware.

CBS questioned what information was required by the EFSA in order to grant this agreement and was informed that transparency in the Trust's transactions was key.

Action: to obtain authorisation for the granting of the 2022/2023 lease.

- **Reporting of party related transactions:** The Trust had paid for a Trust conference at a hotel of which a Trust Member was Director. This was a technical breach whereby the EFSA had not been informed in advance of a party related transaction.

Action: to inform ESFA of the related party transaction and gain ESFA approval for all related party transactions in advance going forward.

Other transactions: Direct approval by Trustees for a capital contract at St. Mary's of over £50,000 had not been sought. This had not been recorded as a breach by Dains and CG responded that approval would be actioned post meeting.

Action: to obtain approval for the capital contract at St. Mary's.

Internal Procedures: The MAT's Scheme of Delegation stated that authorisation from the cardholder of the credit/charge card plus either the school's Headteacher, the Finance Officer or the CEO was required for purchases between £251 and £1000. Paperwork for the acquisition of a freezer and new tyres was not in evidence and the question was raised as to the cardholder being the Headteacher and whether this required additional approval. It was advised that in this case, a second approval for transactions would be best practice.

Action: to clarify financial procedures and outline circumstances for appropriate delegation.

Action: to update the Scheme of Delegation in respect to raising the authorisation limit of the credit cart to £500.

3.2 Unspent capital grants brought forward: The previous year's statutory

accounts held £80,000 of unspent capital grants which had not been historically tracked by the Trust. **SCo confirmed** that this sum had now been brought forward as belonging to central services to reduce the amount re-allocated to individual schools down to £36,339.

3.3 Condition Improvement Funding (CIF): The Trust had been awarded CIF income to repair the roof at St. Mary's with 15-20% of work completed at the end of August 2022. The estimated amount of accrued income for the project was a proposed adjustment (*see Section 5 of the report*) and **SCo and CG confirmed** that this adjustment was in line with expectations.

CBS asked whether this accrual would still be used for the roofing project and SCo responded that it had already been spent.

3.4 Depreciation Policy: The Trust's Accounting Policy provided for full year's depreciation of an asset regardless of how many months it had been owned up to the end of the financial year. This required clarification and an update to the policy to reflect that a full year was considered to have passed at the end of the financial year in which the assets were purchased.

Action: to update the Accounting Policy to reflect that a full year of depreciation is to be charged in the year of purchase.

3.5 Unclaimed VAT: £4,760 had been identified in recoverable unclaimed VAT. This figure would not have a value carried forward. January and February 2022 VAT returns had not been submitted. **SCo confirmed** that the January return had now been actioned and that she was following up the February return.

Action: SCo to approach MLG for advice on either identifying what the unclaimed VAT amount relates to or writing off this balance.

Action: to continue to pursue the February VAT return.

3.6 Support staff pay accrual: Back-dated support staff pay had not been included in the 2021-2022 account figures which would distort the current reporting year with two lots of costs occurring in a 1 year period. **SCo confirmed** that this would remain as an unadjusted item.

3.7 Expansion of the MAT: As the MAT were still in discussion with the Diocese regarding the MAT's expansion, disclosure was not required as the process was incomplete.

3.8 Results of the LGPs actuarial valuation: The movement in liability required reflection within the MAT's financial statements. Turmoil in financial markets at the end of August 2022 had prompted a sharp decrease in liability figures which were likely to increase in the forthcoming year. Inclusion of the liability within accounts, however, was statutory. **SCo confirmed** this adjustment had been made.

3.9 Academy Trust Handbook: (*see Appendix, pg38*) Confirmation had been sought that the MAT was in compliance with all areas within the statutory requirements listed on the page with the exception of matters already discussed.

CBS asked whether these requirements should be included in the MAT's formal policies and CG confirmed that the MAT's policies included reference to these requirements.

3.10 Commitments, contingencies and provisions: The MAT had been asked to consider whether there were any further commitments, contingencies and provisions which required disclosure in the financial statements. **CG and SCo confirmed** that there were no further disclosures.

Section 4: Summary financial statements

The summary of financial activities on pg14 of the report provided an overview of financial accounts with a comparison between income and expenditure. There were no key movements and minimal variation between year-end August 2021 and August 2022 other than in higher pension costs and an increase in free reserves for spending on education have increased (see *Balance Sheet Summary pg16*).

KB commented on the significant increase in financial income between the 2021 and 2022 accounts and was informed that this was due to GAG (General Annual Grant) movement (see *pg56 for fund statement*) which became a balancing figure for funding received but not spent; no GAG funding had been carried forward in August 2021.

Section 5: Summary of adjustments

The LGPS (Local Government Pension Scheme) adjustment was significant and had since been added to the account summary and received by Dains. SCo was thanked and praised for diligence on this matter by the Board.

Section 6: Internal control issues

The section contained a colour-coded risk rating (high/medium/low) of areas identified in the audit and also provided suggestions for best practice. Areas of priority were summarised:

HIGH - Purchase card control: The Scheme of Delegation required amendment for protection and a paper trail for the process of purchases acquired. A balance needed to be met between a controlled environment and the level of trust amongst employees of the MAT.

HIGH – Granting of a Lease: Approval from the ESFA must be sought for all renewals of tenancy agreements.

HIGH - Members declarations of interest: This was a statutory EFSA requirement. JBo sent out an email to Directors on a weekly basis but acknowledged that responses were not always received.

Action: to ensure declarations of interest are returned in a timely manner.

Section 7: Proposed letter of representation

Points 16-18 included adjusted and unadjusted items; other items were a standard confirmation.

Section 8: Hot Topics

Topical information of activity in the academy sector was provided in *the Handbook*, including cyber security, and was updated annually.

CG thanked Simon Hawkins and his team for their work on the report. SCo was also thanked and congratulated in her role of Finance Officer.

Simon Hawkins left the meeting at 9.18am.

<p>5.</p>	<p>External review of Governance</p>	<p><i>Sid Slater arrived at the meeting at 9.20am</i> and this part of the meeting started at 9.26am.</p> <p>The Chair welcomed Sid Slater and introductions were made.</p> <p>Presentation of positives and recommendations from the External review of Governance (see <i>Trustee report</i>):</p> <p>Sid Slater explained the objectives of his presentation, as requested by the NGA (National Governance Association). The NGA received its contracts from the DfE (Department of Education) and the opening slides would remind the Trust Board as to how an external review was conducted, why governance matters and the six key features of effective governance. Following this, key themes of the report and a <i>next steps action plan</i> would be shared which derived directly from the NGA. The completed action plan would then be sent to the regional schools inspector following which a report arising from action plan would be sent following a 3 month review.</p> <p>The report derived from a triangulated process and included scrutiny of the minutes of meetings, the MAT's Scheme of Delegation and interviews conducted within the MAT.</p> <p><u>Academy Trust Handbook</u>: attention was drawn to the key features of effective governance.</p> <ol style="list-style-type: none"> 1. <u>Strategic Leadership</u>: strategies were in place and direction was good. 2. <u>Accountability for education and finance</u>: The EFSA would send warning letters for the late or incomplete submission of documents and the MAT were advised in regard to this. There was a significant amount of performance data which had been shared with Directors and CG met on a weekly basis with the MAT's headteachers. A question arose as to whether the MAT's spending on financial benchmarking was sufficient followed by a suggestion that a simple benchmarking audit could be performed on the DfE website. CG outlined that benchmarking was undertaken annually using the IDAMS (information and access management system). 3. <u>People</u>: This was a strength of the Board in both its effectiveness and child-centred approach. Chairing of meetings was proficient with the Chair having undertaken a 360 degree review and leadership training. Relationships within the Board were strong and a reminder that the MAT's Code of Conduct should be reviewed and signed off each year was given. CG confirmed that this had been completed. Meetings were purposeful and CG was advised that meetings with the MAT's GACs' (Local Academy Committee) Chairs would also need to be arranged. In terms of accountability and focus, support in setting LGC meetings up could be provided by the NGA. Chairs' meetings were of additional importance as the Trust expanded and would also facilitate challenge of the Trust Board. 4. <u>Structures</u>: The MAT's position as governing body for 3 schools was considered inappropriate with the formation of 3 separate LGCs recommended. This was already underway and constitution would be in place in January. There was also ambiguity in regard to Members and their relation to the Trust Board; the role of Members did not require strategic decision making. CG acknowledged the need to hold separate Directors and Members meetings.
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Reference to the *Governance Handbook, Competency Framework for Governance and Academy Trust Handbook 2022* was made for further guidance on MAT structure and organisation, all of which were accessible online.

5. **Compliance:** The Trust's Articles of Association 2015 required review and subsequent updating. There was also a requirement to include parental representative on the Trust Board. **CG confirmed that this was an agenda item for the AGM with members.**

Further advice as to how compliance could be obtained was shared.

6. **Evaluation:** The MAT needed to review its own performance, with an external review being undertaken every 3 years. A programme of training and training log for all staff and Board members was also required and, in particular, for Safeguarding training across the 3 schools. This was seen as a reminder as this is completed and records kept. This could be conducted alongside other boards with further information accessible online.

Final Challenge: Directors were asked to consider the following questions:

- How many decisions did your board make last year?
- Have you evaluated the impact of board decisions?

CG responded that the AGM report contained an analysis of decisions taken to be shared at next week's meeting. Directors further discussed how the impact of decision making could be measured.

The strengths and areas of improvement for the MAT were summarised as:

Strengths	Areas for improvement
vision and values	structure of the Trust - meetings
strategic direction	recruit new Directors (Primary expert)
HT/CEO strategy	clarity of roles
excellent relationships	establish member meetings
Ofsted reports	continue to progress local governance,
team working/motivation	training
commitment and hard work	financial sustainability – growth, develop further communications strategy, review scheme of delegation.
recognition of change	Articles of Association - update
focus on children	

Directors discussed potential for growth within the MAT and were advised to consider the alignment of ethos and vision of potential schools. CG expressed that this had been the process for the 5 schools they had spoken with.

Action Plan: A plan arising from the review was drawn up.

A. Articles of Association: overall, these required review and update and would include reference to *raising achievement* and reference a parent representative as a member of the Board. The latter could not be actioned until the LGCs were in place.

A timescale of September 2023 for completion of the abovementioned was set and the Board were advised that negotiations with the Diocese would need to be arranged in regard to updating the Articles of Association.

Action: Update the Articles of Association with Members, in negotiation with the Diocese.

Action: CG to ask Members in regard to attendance for next week's meeting.

B. Members roles: these required clarification and the separation of Directors and Members meetings.

In light of this, **CBS enquired whether the format of the following week's Directors meeting should be altered** and CG responded that arrangements for attendance would remain in place as the meeting had already been convened as an AGM (Annual General Meeting) and we should all attend. **KB raised a concern that he had yet to meet any Members** and it was suggested that joint training sessions with Directors and Members would help to address this.

A timescale for completion of the clarification of roles and the separation of Directors and Member meetings was determined for Spring Term 2023.

Action: CG to raise the matter of Members roles with Members at next week's meeting.

It was further noted that the MAT's Articles of Association required the presence of a church representative on the Board and that no representation was provided at the current meeting; as a MAT with 3 out of 4 schools being church schools, representation from the Diocese was imperative.

CH enquired whether Members appointed Trustees and was informed that this was the case and that Members could also dismiss Trustees.

C. LGCs: the designated structure of the LGCs would be applied to any future schools joining the MAT and **CG added that all governing appointments for the existing schools would hopefully be made by the end of January 2023.** CG was advised to consider the pen portraits of candidates alongside CVs and that the Scheme of Delegation needed to reflect the CEO's responsibility in agreeing the Chair of each LGC. Following this, the LGC's roles and responsibilities could be established but this needed to be in writing.

CBS suggested a staggered approach in launching the LGCS and CG responded this would be difficult in terms of timing but that the focus for each LGC would initially be on Learning and Standards and LGC meetings would start in February 2023. The LGCs would elect its Chair and the Board would subsequently agree these appointments. This would be actioned by the end of the Spring Term 2023.

Action: Ensure that LGCS have appointed a Chair and that this appointment is subsequently approved by the Trust Board.

D. Education Standards Committee: The need for this committee arose from the considerable amount of time required for the MAT's 4 headteachers to present their

		<p>reports to the Board at a previous Directors meeting. Further to this, Directors had had little opportunity to challenge the headteachers. This would be a small committee which would then report back to the Board and also provided for the expansion of the MAT. The formation of an Education Standards Committee would be actioned by September 2023.</p> <p>E. People: Expansion in the range of skills and experience of the Trust Board was required to increase capacity, and, in particular, the inclusion of a Director with a primary school background. This would be actioned by Spring 2023 alongside the provision of a training system in place for new trustees.</p> <p>F. Financial planning: It was advised that the MAT create a calendar in relation to the timescale of external contracts and that HR market tests were conducted. SCo confirmed that this was already being addressed and would start in the Spring term 2023.</p> <p>G. Growth strategy: Consideration of schools to join the MAT through due diligence would continue with a focus on reaching 10 schools.</p> <p>H. Communication: Channels of communication between the Trust Board and the LGCs required review in terms of relationships and accountability. CG stated that Link Directors would be appointed for each school and the Chair of the Trust Board would liaise with the Chairs of the LCCs on a regular basis. It was advised that clear and concise rules for the LGCs would need to be established with all relevant documentation in place. This would be actioned once the LGC boards were in place.</p> <p>Further emphasis on the MAT's need to review its Scheme of Delegation was put forward in term of what powers would be delegated to the LGCs. CG added that this had already been undertaken with Anson but that a more detailed document was required.</p> <p>Action: CG to begin to transfer current scheme of delegation decisions on to a more detailed format and Directors to meet to further develop the Scheme of Delegation.</p> <p>When the LGCs were in place, a self- and external review could be actioned to enable a full oversight for the Trust Board.</p> <p>Directors were informed that the arising Action Plan and report would be sent to Andrew Warren with Sid Slater returning in 3-months' time. A formal report would then be sent to the DfE and NGA in regard to how these targets had been met.</p> <p>Directors thanked Sid Slater for his presentation who, in return, thanked Directors for their commitment.</p> <p>Sid Slater left the meeting at 11:08am.</p>
6.	Finance	<p>(see <i>CIF bid papers</i>) SCo asked for any questions arising from the circulated CIF bid papers.</p> <p>In respect to the new roofing bid, CBS suggested that improved insulation and photovoltaics be installed at the same time to double-up on scaffolding and thus reduce the bid.</p> <p>Directors discussed which bids would be submitted and agreed that all would go</p>

		<p>forward with a 15.1% contribution for 5 of the bids and a 10% contribution for the boiler bid.</p> <p>All Directors approved the CIF bids going forward.</p> <p>S Co confirmed that support staff pay had been approved and would be paid in December 2022, backdated from April 2022.</p> <p>The Chair thanked Directors for their attendance, and the meeting closed at 11.08 am.</p>
7.	Any other business	<p>The next Directors with AGM meeting will be Friday 9th December at 8.00 am at Richard Crosse.</p> <p>Future meeting dates will be:</p> <p>Friday 27th January with Headteachers Friday 17th March with Members Friday 5th May with Headteachers Friday 30th June with Members</p> <p>The dates with members will not include Members and a Members meeting will be convened. Headteachers will not be attending on 27th January as we are starting our LGCs.</p>

Signed.....

Date

See the page below for the Action Log

Action Log for the Directors Meeting 02/12/2022

Item	Action to be taken	Action by whom	Action by when
3	One Member to complete the Pecuniary Interest Form on OneDrive.	?	Priority
4/3.1	Obtain authorisation for the granting of the 2022/2023 lease.	CG	Priority
4/3.1	Obtain approval for the capital contract at St. Mary's.	CG	Priority
4/3.1	Clarify financial procedures and outline circumstances for appropriate delegation.	CG	Priority
4/3.1	Update the Scheme of Delegation in respect to raising the authorisation limit of the credit card to £500.	CG	Priority
4/3.4	Update the Accounting Policy to reflect the full year having passed at the end of the financial year in which assets were purchased.	SCo	Priority
4/3.5	Approach the NGL (National Leaders of Governance for advice on writing off VAT balance.	SCo	Post Meeting
4/3.5	Continue to pursue the February VAT return.	SCo	Ongoing
4/Section 6	Ensure declarations of interest are returned in a timely manner.	All	Ongoing
Actions from the <i>presentation of positives and recommendations from the External review of Governance: Action Plan</i>			
5/A	Update the Articles of Association in negotiation with the Diocese.	CG	Priority
5/A	Ask Members in regard to attendance for next week's meeting.	CG	Post Meeting
5/B	Raise the matter of Members' roles and meetings with Members at next week's meeting.	CG	Next meeting 9.12.2022

5/C	Ensure that LGCS have appointed a Chair and that this appointment is subsequently approved by the Trust Board.	CG	Spring Term 2023
5/D	Ensure the formation of an Education Standards Committee	CG	September 2023
5/E	Appoint a Director with a primary school background	CG	September 2023
5/E	Ensure the provision of a training system is in place for new trustees.	CG	September 2023
5/H	To appoint Link Directors for each school	CG	Post formation of the LGC
5/H	Directors to meet to further discuss the Scheme of Delegation.	CG	To be arranged
5/H	Conduct a self- and external review for the LGCs	CG	Post formation of the LGC

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