

FINANCE AND AUDIT COMMITTEE'S ANNUAL REPORT TO THE BOARD OF DIRECTORS 2019-20

1. INTRODUCTION

- 1.1. The Finance and Audit Committee (FAC) hereby submits this Annual Report to the Board of Directors covering the financial year 1 September 2019 – 31 August 2020.
- 1.2. The purpose of this report is to advise the Board of Directors on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and security, efficiency and effectiveness, before the Board of Directors approves the Trust's Report and Financial Statements for the year ended 31 August 2020. The report draws on evidence from the Internal Audit reports, the Financial Statements and Regularity Auditor's management letter, and reports submitted to the Committee by members of the Trust Senior Management Team.

Membership and meetings during 2019-20

- 1.3. The membership of the Finance and Audit Committee from 1 September 2019 to 31 August 2020 and the attendance of members at committee meetings was as follows:

		Appointed/retired	Meetings attended (actual/possible)
Deepak Jayaprakash	Director	Appointed 1/9/2018 Resigned 1/2/2020	0 / 1
Mark Law (Chair)	Director	Appointed 21/6/2017	3 / 3
Suzy Mayhew	Director	Appointed 27/3/2019	2 / 3
Alan Wallaker	Director	Appointed 21/6/2017	3 / 3
Jennifer Margetson	Director	Appointed 21/6/2017	2 / 3
Sora Yago-Boli	Director	Appointed 22/4/2020	1 / 1
Ruth Doughty	Accounting Officer		2 / 3
Andrya Norris	Trust Business Manager		3 / 3

- 1.4. The Terms of Reference of the Finance and Audit Committee require that the Committee shall meet at least once in each term. The Committee met once in each seasonal term during 2019-20, on 03/10/2019, 18/03/2020 and 08/07/2020. Meetings took place sufficiently in advance of Board of Directors meetings for the minutes of the meeting and resolutions to be considered by the Board of Directors. As appropriate, the Chair of the Finance and Audit Committee reported to meetings of the Board of Directors on the work

of the Committee.

2. TRUST'S FINANCE AND AUDIT SERVICE PROVIDERS 2019-20

Internal Finance and Auditor

- 2.1 The Board felt that it was beneficial to separate the Trust's internal and external audit functions and therefore sought the services of a firm other than Williams Giles, to perform the Trust's internal audit. Invicta Audit and Counter Fraud (IACF) provided the Trust's internal Audit service for the first visit of 2019-20, however the second visit had to be cancelled due to the Covid-19 pandemic. The Trust Business Manager conducted an internal compliance check that provided satisfaction to the Finance and Audit Committee over the topics from the second visit's schedule.

Financial Statements Finance and Auditor and Regularity Finance and Auditor

- 2.2 Williams Giles audited and reported on the Trust's Financial Statements for 2018-19 and the regularity of income and expenditure for that period. Having considered Williams Giles's performance in that year, the Finance and Audit Committee recommended and the Board approved the continuation of Williams Giles's appointment for a further year. Accordingly, Williams Giles has audited and reported on the Trust's Financial Statements for 2019-20 and the regularity of income and expenditure for that period.
- 2.3 The Finance and Audit Committee will review the performance of the Financial Statements and Regularity Auditor again in December 2020 and will make a recommendation to the Board either to extend the existing appointment or to re-tender.

3. INTERNAL AUDIT

- 3.1. The following reviews at the Trust's Schools were carried out by Invicta Audit and Counter Fraud (IACF) during the year
- Meopham Community Academy;
 - Wrotham Road Primary School; and
 - The Trust Central Fund.

In addition, the following reviews at the Trust's Schools were carried out by the Trust Business Manager during the year end procedures:

- Compliance check for all schools covering:
 - Contracts,
 - Procurement,
 - Lettings,
 - Income generation,
 - Educational visits,
 - School Assets.

which was able to give assurance to the Board that the systems and processes that were the subject of reviews were working satisfactorily and that action had been or was being taken to remedy any control weaknesses identified.

Recommendations from these reviews have been acted upon by management and the schools' finance teams and no matters remain unresolved.

4. FINANCIAL STATEMENTS AUDIT

- 4.1 At its September 2020 meeting the Committee considered the Financial Statements and Regularity Auditor's proposed Audit plan and recommended it for approval by the Board.

- 4.2 The Committee has at its meeting held on 9 December 2020 reviewed both the Trust's draft Report and Financial Statements for the year ended 31 August 2020 and the management letter that the Financial Statements Auditor is required to prepare.
- 4.3 The report confirms that no significant difficulties were encountered during the Audit and no significant deficiencies in internal control or potential impropriety issues were identified.
- 4.5 The Financial Statements Auditor has indicated their intention to issue an unqualified report on the Report and Financial Statements for the year ended 31 August 2020.

5. REGULARITY REVIEW

- 5.1 The Regularity Auditor is required to issue a report on the regularity of financial transactions. This is addressed to the Trust and to the Secretary of State for Education acting through the Education and Skills Funding Agency.
- 5.2 The Financial Statements and Regularity Auditor has indicated their intention to report that nothing has come to their attention to suggest that income and expenditure in 2019-20 have not been applied to the proper purposes.

6. RISK MANAGEMENT

- 6.1 The Risk Register is reviewed at every FAC meeting with a summary of recommendations reported to the following full Board meeting.
- 6.2 The Executive Leadership Team and Trust Business Manager review the Risk Register prior to the FAC meeting and identify areas requiring review.

7. FINANCE AND AUDIT COMMITTEE'S OPINION

- 7.1 The Committee has reviewed the Report and Financial Statements for the year ended 31 August 2020, focusing on the Report of the Board of Directors and the Governance Statement incorporating Internal Control. These clearly set out the Board of Directors' responsibilities and, that the Board of Directors has had due regard to the Charity Commission's general guidance on public benefit.
- 8.2 Overall, based on the information provided to it by Trust management and the work, reports and audit opinions of the Internal Auditor and the Financial Statements and Regularity Auditor, the Finance and Audit Committee considers that reliance can be placed on the Trust's risk management, control and governance systems. On the basis of reports received and work undertaken, it considers that there are satisfactory arrangements for securing economy, efficiency and effectiveness at the Trust.

Signed: Mark Law, Chair of Finance and Audit Committee

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