



**Audit & Risk Committee Meeting**  
**Focus: Audit & Risk**  
**Monday 10 July 2023 at 17:00 – 19:30**  
**via Teams**

<b>Directors present</b>		
Sue Shelley	Nexus MAT Director/Chair	Chair
Steve Booth	Nexus MAT Director	SB
Tina Havenhand	Nexus MAT Director	TH
Ray Palmer	Nexus MAT Director	RPa
Rachel Potts	Nexus MAT Director	RP
<b>Also present</b>		
Warren Carratt	Nexus MAT CEO	CEO
Joel Hardwick	Nexus MAT Assistant CEO – Strategy & Partnerships	JH
Karen Smith	Nexus MAT CFO	KS
Rebecca Horne	Governance Clerk	RH
James Kelly	Advisor to the Committee	JK
<b>Apologies</b>		
Naveen Judah	Nexus MAT Director	NJ

<b>1. APOLOGIES FOR ABSENCE</b>	
<b>1.1. To receive but not accept apologies for absence.</b>  Apologies were received from NJ.	
<b>1.2. To accept apologies for absence.</b>  Apologies were accepted from NJ.	
<b>2. ITEMS OF URGENT BUSINESS</b>	
<b>2.1. Chair to determine any items of urgent business to be considered.</b>  None to discuss.	
<b>3. DECLARATION OF INTERESTS</b>	
<b>3.1. Individual Directors to declare any personal, business or other governance interests on any item on the agenda.</b>  None to discuss.	
<b>4. AUDIT &amp; RISK COMMITTEE MEETING MINUTES</b>	
<b>4.1. To approve the minutes of the following meeting: Audit and Risk Committee held on 15<sup>th</sup> May 2023</b>  The minutes of the Audit & Risk Committee Meeting held on 15 <sup>th</sup> May 2023 were received and agreed as a true and proper record.	
<b>4.2. REVIEW OF ACTION TRACKER</b>	
The outstanding actions on the tracker were reviewed and updated.  KS explained that the School Resource Manager Assessor (SRMA) had emailed to organise a visit this half term. KS stated this wasn't ideal timing and will be in the Autumn term. No specific date and time have yet been set yet.  Information the SRMA will be looking at is comparing our spend to similar schools and benchmarking analysis.  CEO informed the committee that the DfE contact hasn't yet brokered the scheduling of the visit itself, but has apologised for the delay when they got in touch. CEO felt that the School Resource Management Advisor (SRMA) will probably want to meet with the Directors to understand how they utilise benchmarking tool-kits as part of budget setting. Hopefully this action will be completed by the end of the autumn term or not needed at all, if it's not a requirement of the SRMA visit.  KS Finance Risk Register. Completed already in the last actions.	

KS - New Finance System – KS updated the committee about where we are with the new Finance System. We are currently with Access Finance at the moment and will be moving over to Sage in September. We have just finished the testing phase. We are expecting to get a live copy of the system this week. The whole of Central Finance will be looking at this and getting it ready for schools in September. No risk to the timelines of this. Quite a big change in how schools will be operating. Quite a lot of work in communications to do with Headteachers and office staff over the next month. We are doing lots of different things with them like small group work and online Teams Meetings. Central Finance staff are also arranging to go and sit with school staff in person in September and offer drop in team sessions. We are really pleased with ION who are our partner in this, as they have given us support in building the product. Looks quite different to Access and will be a positive change.

**SS asked are they giving you a training/shadow system?** KS stated there will be a copy of the live system that will be a testing system and we will be given an updated one this week, which we can use to practice. Sage have a train the trainer approach, and we will then train people within the Central Team and then the whole of the Central Team will support the schools with training. A lot of online guidance for this is available too.

**TH asked what is happening with the data in Access? Are we having a read only licence with this or a mega data conversion with this?** KS informed the committee that we only recently received some costings from them. They have agreed to read only access but only on a full 3 years basis. We have negotiated to around 3k per year.

**RP asked about the end of year and accounts and timetabling along with risk. Where are we with issues from September through to December?** KS stated that we have the test system later this week and will be able to start testing the data migration from Access. We are just bringing the opening balances across. We have decided to reconcile our bank account for the first 3 weeks in August in Access. A week’s worth of bank reconciliation will be in Sage. We will do all adjustments in Sage and will collate information to enable us to do this.

**4.3. MATTERS ARISING FROM THE MINUTES**

None raised.

**5. ITEMS TO BE CONSIDERED**

**5.1. Trust Risk Register**

CEO reminded the committee that the Finance Risk register is a separate document and this is a strategic risk register that correlates with our strategic objectives. The agreed approach is - where changes are made - they are reflected in green. CEO brings the most updated version to each meeting and Directors have an opportunity to request any changes. This was last updated by this committee in March and went to the Board Meeting in June. No changes were requested at Standards Committee on 27<sup>th</sup> March or the 28<sup>th</sup> June Board Meeting. Therefore, no changes have been made since this was last submitted to this committee. CEO is not proposing any changes but is happy to effect any changes requested.

**SS raised a question with cyber-attack on page 5 of the document.** It was listed under Residual Insecurities and stated evolving landscape and methods of attack and the intermittent use of ICT by some employees. What lays under that? JH stated that we do have some staff who don't access emails but will have an email account. Some staff in schools will have an email account but will only intermittently access this and therefore this infrequent use may leave practice inconsistencies with cyber security. Processes are in place to mitigate this risk with a new piece of software that has been implemented with the last 2 months. CEO felt this language reflected the risk accurately, and SS agreed.

SS found the document really useful and would be interested in TH's view on this in due course.

**5.2. COMPETENT PERSON TERMLY UPDATE REPORT**

JH picked out some highlights in the paper to discuss. Recruitment of the new Assets & Facilities Manager, Kevin Oxborough who joined the Trust in early May has already proven to be a real asset to the team and he has a wealth of experience and knowledge, not just around the project and capital side but also the health and safety and compliance side.

Fountaindale and Kelford stand out the most on the charts in the report.

Fountaindale - Overall report from the last audit was positive about how staff are managing the site. The number of issues is gradually coming down over time since we inherited the building in September 2022. There has been no further audit on Fountaindale and one is due shortly, which should show a marked improvement.

Kelford – JH has looked into the Kelford details which have partly changed since last time. The person who did the audit is a new person at ProActive. A couple of issues do need to be picked up fairly quickly but are not necessarily high risk. Replacement of fire doors is one, but actually this was a temporary measure that was recommended and the action was one to complete within 6 months and relates to just one set of fire doors. Finger guards on one set of doors was also an action. These items are being picked up by leaders within the school.

Lana Stoyles is now getting the Site Supervisors across all of our schools together routinely. JH is hopeful it will improve and drive consistency across our schools in future.

CEO informed the committee that we have a rat/mouse in the kitchen at Kelford. There are stringent procedures which need to be followed when rodent/vermin are found in an area where food preparation takes place and this has resulted in the kitchen being closed. We have chosen higher cost intervention to resolve this issue as quickly as possible but this has taken time. This isn't unusual but the issue is being resolved.

**RPa wanted to raise a few issues, the first being the new individual at ProActive. Should Directors be concerned about the different view of this new employee compared to what had been reported before? A new person has seen things another person hasn't seen, is this something ProActive are**

**looking into? And can they reassure us they are picking up on the compliance obligations which are being identified?**

Secondly, on the charts there are 3 schools with a high list or priorities: Discovery, Fountaindale and Kelford. **RPa asked what the priorities were and what is being done.**

JH responded to the first issue stating that he has had a conversation with ProActive and feels assured there is consistency. With regards to Kelford, it is probably a combination of factors along with the new person from ProActive and a new person from school side. A few issues have been flagged with this new person and how they work and these have been discussed with ProActive. **Action – JH to flag this concern with ProActive and review the audit report for Kelford with the new person and come back to the committee with a clearer explanation.**

Discovery was flagged previously due to it not having systems and processes handed over from the contractor with it being a new building. There were some elements with recording, rather than systemic issues. There has not been an audit since last time, and JH expects that the next audit reflects a significant improvement.

**RPa asked– for more narrative around the RIDDORs and an update on fire resilience, funding and applications going forward. Also, more detail on accidents to pupils.**

JH stated that in terms of the Abbey pupil incident, this related to a child in a playground, and the mobility of that child was one of the issues. The risk assessments for those individuals have been updated. **Action - JH to get more details of the 3 incidents and send these onto RPa outside of this meeting.**

JH addressed fire resilience: the first couple of assessments through the DfE RPA (Risk Protection Arrangement) scheme came back clear. No further work is required. Grant applications have been submitted for Heatherwood and Kelford. Kelford is quite a specific one, as the fire alarm which was flagged as needing an upgrade in the RLB survey.

CEO suggested that it looks like we are reporting on items which may have already been dealt with, and suggested that officers should just report on the priorities that are outstanding from the last audit. **Action - JH is to look at the system and use a more current set of data reports to identify outstanding actions remaining.**

**SB asked if the North Ridge audit done on the 26<sup>th</sup> June?** JH confirmed this had been done.

RP commented on how excellent this report is. **RP asked about Hilltop and the partitioning and why there were still some items remaining.** JH confirmed that all of the remedial work has been commissioned and just needs to be accommodated in the school timetable.

SS stated that this was a really useful report. **SS raised Fire Doors and temporary solutions.** JH clarified this was specific to Kelford. One door had the lock removed and there was a hole in it. It was recommended to replace the doors within 6 months.

**JH**  
**13/11/23**

**JH**  
**13/11/23**

**JH**  
**13/11/23**

<p><b>RPa –raised IOSH training</b>, as it has been approximately 3 years since the last training for heads and senior leaders. There is a recommendation to do refresher training after 3 years. JH stated that this is recorded on the ProActive system which will prompt when training is due. <b>Action - JH will check and clarify.</b></p>	<p><b>JH</b> <b>13/11/23</b></p>
<p><b>5.3. May Budget Monitoring Report</b></p> <p>KS apologised to the committee that updated papers were sent out today, due to a version error. KS went through the summary position up to the end of May with the committee. There is minimal change compared to the previous report. The forecast position is pretty much what was set at budget. Reserves are forecast to be 14.3% at year end. The key things to discuss are the changes between now and the year end which are related to capital plans/projects, which are going to have a significant impact on our year end position. We are just getting some tender information back. There is a modular staff room at Beech, modular classrooms at Pennine and Coppice and Abbey's post 16 modular build. KS stated there will be some significant changes coming up, though Directors have approved all of these projects.</p> <p>SB thanked KS for the update.</p> <p><b>5.3a Aged Debtors and Creditors Report</b></p> <p>This report was sent out prior to the meeting. This was rather a short report which was discussed by the board.</p> <p>TH said that, from a presentational perspective, it may be helpful to have some KPIs on the overview as TH would find this quite useful. Action – <b>KS will discuss this further with TH.</b></p>	<p><b>KS</b> <b>13/11/23</b></p>
<b>5.4. INTERNAL AUDIT REPORT</b>	
<p><b>5.4.1 Audit 1 – Income Coding</b></p> <p>KS stated that overall this is a pretty positive report. The coding inconsistencies found were low level. KS is expecting this to improve next year with Sage as part of the system changes and the move for all the sales invoices to be done centrally.</p> <p><b>JK raised a query with purchase orders. 2 schools failed the sample and 5 schools had complied. Are there any consequences to failing?</b> CEO stated that if there are concerns this should be escalated to the Headteachers, via line managers. An in-depth discussion took place regarding possible consequences.</p> <p><b>5.4.2 Audit 2 - Governance</b></p> <p>KS stated that there were no recommendations or concerns.</p>	

<p><b>5.5 RE-TENDERING OF INTERNAL AUDIT FOR 23-24</b></p>	
<p>KS informed the committee that, as per the report, the Trust has been with BHP for a 3-year period and they have just completed their last internal audit visit for us and we are looking at what we are going to do for the internal audit visits next year. Different options are being looked at. KS has approached another CFO in another Special School Multi Academy Trust in Suffolk, who are in a similar situation to us in terms of internal audit and would be keen to do some peer review and do a swap. KS feels we would learn a lot from each other by doing this. A more focused piece of work on cyber security would also be useful, and this will save money if it is commissioned from someone with bespoke expertise on cyber security.</p> <p>TH felt his was a great plan. Going out and looking for someone who can cover internal scrutiny on cyber and IT would be good.</p> <p>RP fully supports KS proposal and feels the peer review element would be beneficial to us as an organisation.</p> <p>CEO stated that, as a majority of Directors are in favour, this proposal will be put to the Board properly. <b>Action – To go to full board next week.</b></p>	<p style="text-align: right;"><b>CEO 19/07/23</b></p>
<p><b>5.6. 2023-24 BUDGET SETTING REPORT, INCLUDING 3-YEAR FORECAST</b></p>	
<p>KS went through the summary report, where we are looking at setting budgets for 2023/2024. In terms of what we return to the ESFA this is detailed school figures for 23/24 and the higher trust level forecasts for 24/25 and 25/26. We have gone through the same budget setting process as last year.</p> <p>A lengthy detailed discussion took place of the suggested budgets and forecasts for the next 3 years and Directors unanimously agreed with what was proposed in the report.</p> <p><b>Action - Committee to recommend the budget setting report to the board next week.</b></p>	<p style="text-align: right;"><b>CEO 13/11/23</b></p>
<p><b>5.7 DRAFT AUDIT &amp; RISK COMMITTEE ANNUAL CONCLUSIONS REPORT</b></p>	
<p>SS stated this was a great report. No comments or queries were reported. The report was approved unanimously by all Directors present.</p>	
<p><b>6. REFERENCE DOCUMENTS (FOR INFORMATION ONLY)</b></p>	
<p><b>TH asked that, on the back of Health and Safety reports</b>, should there be something on the finance risk register about asset liabilities, for those schools rated as needing remedial works. Are all risks covered by insurance or is there an additional risk?</p> <p>CEO responded that he feels that the RPA (Risk Protection Arrangement) is robust in its coverage, and officers feel reasonably confident if we were to have any unexpected failings in our estate, we would be looking at the RPA to cover it and we would have no</p>	

<p>concerns. So far there hasn't been any issues. Asset risks are also included in the strategic risk register.</p> <p><b>6.2 High Level 12 Month Delivery Plan</b></p> <p>Nothing for discussion.</p>	
<b>7. ANY OTHER URGENT BUSINESS</b>	
<p><b>7.1. To consider any other urgent business agreed by the Chair</b></p> <p>None raised.</p>	
<b>8. CONFIDENTIALITY &amp; RISK</b>	
<p><b>8.1. To consider the confidentiality of any items discussed during the meeting</b></p> <p>None raised.</p> <p><b>8.2 To consider any areas of risk discussed the meeting.</b></p> <p>None raised.</p> <p>SS closed the meeting wishing the Audit and Risk Committee a happy Summer.</p>	
<b>9. DATES OF NEXT MEETINGS</b>	

Monday 13 November 2023	17:00 – 19:30	MS Teams	Audit & Risk
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**Minutes approved**

CHAIR	SIGNATURE	DATE