Audit & Risk Committee Meeting
Monday 04 March 2024 at 17:00 – 19:30
via Teams

Directors present	Role	Initials
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
Naveen Judah	Nexus MAT Director	NJ
Also present		
Warren Carratt	Nexus MAT CEO	CEO
Joel Hardwick	Nexus MAT Assistant CEO: Corporate Affairs	JH
Karen Smith	Nexus MAT CFO	KS
Rebecca Horne	Governance Clerk	RH
Apologies		
James Kelly	Advisor to the Committee	JK
Rachel Potts	Nexus MAT Director	RP
Gill Askew	Nexus MAT Director	GA

	Action(s)
1. APOLOGIES FOR ABSENCE	
1.1. To receive but not accept apologies for absence. Apologies were received from JK, RP and GA.	
1.2. To accept apologies for absence. Apologies were accepted from JK, RP and GA.	
2. ITEMS OF URGENT BUSINESS	
2.1. Chair to determine any items of urgent business to be considered. None to discuss.	
3. DECLARATION OF INTERESTS	
3.1. Individual Directors to declare any personal, business or other governance interests on any item on the agenda. None to discuss.	
4. AUDIT & RISK COMMITTEE MEETING MINUTES	
4.1. To approve the minutes of the following meeting: **Audit and Risk Committee held on 13 November 2023** The minutes of the Audit & Risk Committee Meeting held on 13 November 2023 were received and agreed as a true and proper record.	
4.2. REVIEW OF ACTION TRACKER	
The outstanding actions on the tracker were reviewed and updated. JH updated the committee in relation to the Competent Person Update Report. JH looked into having 3 columns for schools with serious breaches. A version of this has been incorporated into the report. Ideally an Autumn/Spring/Summer term position around the actions which will be looked into further by JH. **ACTION – JH to look into further.**	**JH 08/07/24**
4.3. MATTERS ARISING FROM THE MINUTES	
JH summarised the issues with Kelford and Bader, as discussed at the last meeting. Claims have been made by staff in relation to those incidents and JH discussed the latest position, including involvement of RPA as the Trust's insurer. **ACTION – JH will provide an update to the committee by email after this meeting.**	**JH 08/07/24**
5. ITEMS TO BE CONSIDERED	
5.1. 2022-23 Gender Pay Gap Report CFO explained that there has been a slight deterioration in the mean and median Gender Pay Gap compared to the previous year, based on data from April 2022 to March 2023. However, the CFO noted that this change is not considered significant.	

	Action(s)
CFO reported a question was raised on gender and progression in the staff survey that was completed recently. It is difficult for this year's figures to be compared to last year's figures, due to this year's being affected by the strike action which took place, which has skewed some of the data. This, however, is in line with the methodology issued by the Government. Discussions took place with the Committee regarding the living wage element and the gender breakdown of workers within the organisation. The CFO has analysed these figures in comparison to national data and has observed that the Gender Pay Gap observed within the organisation is consistent with trends seen across the teaching/education profession on a wider scale. **The Committee approved the Gender Pay Gap report.**	
5.2. Schools Resource Management Self-Assessment checklist CFO presented the annual return. The CFO went through the Q&As received. Overall, the CFO reported there are no major issues being reported. Before formally submitting the report, the CFO gave the Committee an opportunity to ask any final queries or questions they may have had. No further questions were received.	
5.3 Competent Person Re-tendering Proposal Feb 24 This contract is set to expire at the end of the academic year, and the report outlines options for meeting our needs in this area from September 2024. JH explained, Lana Stoyles, Head of Business Transformation and Kevin Oxborough, Asset & Facilities Manager have been tasked with reviewing systems linked to health & safety, condition surveys, and planned preventative maintenance. Three options have been formulated regarding how to retender the contract starting from September 2024 which JH explained in greater detail. The options for consideration are: ▪ Stay with the same level of specification ▪ Hybrid approach ▪ Take the whole competent person elements and Health and Safety elements in house. Following a thorough discussion with the Committee and providing additional explanations for each option, JH proposed the hybrid approach, as per the report recommendation. This approach involves putting out a tender based on the elements defined in the report, rather than the current elements of the contract. JH confirmed this approach has been benchmarked against other Multi-Academy Trusts (MATs) and a number operate in a similar hybrid model. **Directors unanimously approved the Hybrid approach as the way forward, and agreed to delegate the responsibility for procurement process to the CEO.**	

	Action(s)
5.4 Trust Risk Register CEO provided an update on the Trust Risk Register during the meeting. The CEO explained that the register has been updated since the last report, following the usual format of highlighting changes that have been made. Additionally, a few additions have been included, particularly focusing on the advent of the Trust assessment and curriculum policies that have been approved at Trust Board in the last 12 months. The CEO further explained that the updated Trust Risk Register includes the new directors' induction program, as well as other sources of external assurances. The CEO clarified that he has decreased the risk score related to the capacity, capability, and sufficiency of individual governors within the Trust, as a consequence of the new advisor appointments. No issues or questions were raised by the Committee following the CEO's explanation regarding the Trust Risk Register. **5.4.1 CST/RSM Risk Radar January 2024** The CEO explained that the CST/RSM Risk Radar document serves as an appendix to the Trust Risk Register and is may be helpful in giving Directors wider contextual knowledge. By providing this document, Directors have the opportunity to review it and cross-reference its contents with what is already included in the strategic risk register. The Committee found the document informative and no questions were raised.	
5.5 Finance Risk Register – March 2024 The CFO has updated the Finance Risk Register, focusing on highlighting changes since the last report and any corresponding actions that have been taken. Additionally, the update includes commentary to provide context and support for these changes. The CFO clarified that none of the RAG ratings have changed. **TH – should we include something specific on the financial risks of less favourable Ofsted reports in terms of less pupil numbers?** The group discussed the link between less favourable OFSTED reports and pupil numbers (highlighting the lower risk of falling pupil numbers across our Special Schools due to significant sufficiency needs across Local Authorities). There was also discussion around the Crags move to a reduced PAN in September 2025. Following the discussion, it was decided that the CFO would include additional bullet points outlining potential risk factors. **ACTION – CFO to update Finance Risk Register accordingly.** CFO invited the Committee to ask any further questions they might have had. Following this invitation, all questions raised by the Committee were responded to in detail by the CFO. This included questions on the update included in relation to the VAT status of the Trust.	**CFO 08/07/24**

	Action(s)
5.6 Competent Person Termly HS Update Report JH overviewed the Competent Person Termly Health and Safety Report with the Committee. JH mentioned ongoing efforts to enhance the reporting systems. Specifically, JH highlighted that the schools to focus on in terms of the report itself are Kenwood and Coppice. Kenwood has experienced a higher number of issues relating to their buildings across all sites. However, these issues won't be resolved due to the limited timeframe left on the 5-year leases, with only 18 months remaining. Issues have been flagged around the fire doors at Coppice. JH explained that he has received confirmation from the DfE that they are willing to fund the necessary work to address these issues. Regarding the report itself, JH stated that there have been no RIDDOR reportable accidents.	
5.7 P5 January Budget Monitoring Report The CFO sent out the P5 Budget Monitoring Report and provided the Committee with an overview of the figures. It was noted that there is a slight reduction in the Trust's in-year surplus since the P4 report. However, the Trust is still in a positive financial position, with an in-year surplus of around 1.5 million. This surplus is double what was approved in the budget. The CFO highlighted any changes or alterations to the P5 Budget Monitoring Report and provided explanations to the Committee during the meeting. The CFO reported to the Committee that the Trust is still awaiting a response on the TCAF bid. During the meeting, the CFO mentioned the assumption of a 2% increase for support staff and welcomed any questions regarding this. **TH - are the assumptions for this increase of 2% sufficient?** CFO believes that the 2% increase is low. CFO mentioned that discussions have begun with the Central Finance Team regarding budgeting assumptions for 2024-25, and they are also in talks with other Trusts about their assumptions. Based on these discussions, the assumption for the increase is expected to be 3-4% from April 2024. Following further detailed discussions between the Committee, the CEO suggested conducting research into what the Local Government Association (LGA) advises local authorities to plan for regarding the pay award. The CEO inquired whether the LGA has published any relevant information on this matter. In response, the CFO agreed to look into this further and provide feedback. Additionally, the CFO will undertake discussions with maintained schools that the organisation is working with to understand what their local authority is suggesting they include in their forecasts for budget setting. **ACTION – CFO to research and provide feedback to the Committee.**	**CFO 08/07/24**

	Action(s)
5.7.1 P5 Key Performance Indicators The CFO circulated the P5 Key Performance Indicators (KPIs) report to the Committee Members prior to the meeting. To enhance clarity, the headings in the report were highlighted in yellow. Additionally, the report includes a section detailing income and expenditure per pupil. These pupil numbers will be updated monthly, allowing for a more accurate reflection of funded pupil places. It's important to note that these numbers are not static and represent an average for the year, with updates for pupil number forecasts occurring monthly. Following the presentation of the report, the CFO asked if there were any questions from the Committee Members regarding the report or its contents. No further questions were raised. The Committee Members expressed appreciation for the KPI report and conveyed how useful they found them. They thanked the CFO for providing clear and insightful information.	
5.8 Audit Tracker The CFO reported to the Committee that there have been some changes made to the Audit Tracker document. These changes primarily involve formatting adjustments. The document has been reorganised to display the most recent audits at the top instead of at the bottom. Additionally, previous years' entries have been greyed out to distinguish them from current "live" audit points. The CFO reported that there is one amber residual risk related to compliance around evidence of prior approval, which has been regularly discussed. To address this issue, a significant amount of work is underway to improve compliance. The finance business partners are visiting schools to provide support, collate information on task completion, and provide feedback to Headteachers. Analysis is being conducted to demonstrate compliance rates and identify areas for improvement. Additionally, Regional Directors are being involved in discussions with schools to understand the factors driving low compliance and provide necessary support and guidance.	
6. ANY OTHER URGENT BUSINESS	
6.1 To consider any other urgent business agreed by the Chair None raised.	
7. CONFIDENTIALITY & RISK	
7.1 To consider the confidentiality of any items discussed during the meeting The CEO stated that in light of item 5.5 concerning the Finance Risk Register in the minutes, additions will be made to the register based on Directors' identification of currently undocumented risks. **7.2 To consider any areas of risk discussed during the meeting** None raised.	

	Action(s)
8. DATES OF NEXT MEETINGS	

Monday 8th July 2024	17:00 – 19:30	MS Teams	Audit & Risk

Minutes approved

CHAIR	SIGNATURE	DATE