



Audit & Risk Committee Meeting
Focus: Audit & Risk
Monday 6 March 2023 at 17:00 – 19:30
via Teams

Directors present		
Sue Shelley	Nexus MAT Director/Chair	Chair
Rachel Potts	Nexus MAT Director	RP
Steve Booth	Nexus MAT Director	SB
Naveen Judah	Nexus MAT Director	NJ
Ray Palmer	Nexus MAT Director	RPa
Also present		
Warren Carratt	Nexus MAT CEO	CEO
Joel Hardwick	Nexus MAT Assistant CEO – Strategy & Partnerships	JH
Karen Smith	Nexus MAT CFO	KS
Tracie Lockwood	Nexus MAT Governance Clerk	Clerk
Apologies:		
James Kelly	Advisor to the Committee	JK

1. APOLOGIES FOR ABSENCE	
1.1. To receive but not accept apologies for absence	
Apologies were received for JK.	
1.2. To accept apologies for absence	
Apologies were accepted for JK.	
2. ITEMS OF URGENT BUSINESS	
2.1. Chair to determine any items of urgent business to be considered	
None.	
3. DECLARATION OF INTERESTS	
3.1. Individual Directors to declare any personal, business or other governance interests on any item on the agenda.	
None.	
4. AUDIT & RISK COMMITTEE MEETING MINUTES	
4.1. To approve the minutes of the following meeting: Audit and Risk Committee held on 6th February 2023	
The minutes of the Audit & Risk Committee Meeting held on 6 th February 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	
KS has circulated the Internal Audit Workplan with revised focus dates, changed at the request of the internal auditors.	
4.3. Matters arising from the minutes	
None	
5. ITEMS TO BE CONSIDERED	
5.1. Gender Pay Gap	
CEO provided an overview of the report with the following headlines:	
<ul style="list-style-type: none"> • The Upper quartile has increased by 2% for males (26% to 28%) and decreased by 2% for females (74% to 72%) • The Upper Middle quartile has increased by 1% for females (83% to 84%) • The Lower quartile has increased by 1% for males (12% to 13%) and decreased by 1% for females (88% to 87%) • Employee Opinion Survey has been reviewed, with no issues declared re: pay linked to gender. • The Trust aspires to be a flexible employer 	

RP queried which quartiles relate to Headteachers and Teachers?

CEO confirmed that Teachers will be within the Upper Middle and Upper quartiles. The number reported within Upper (199) will include Executive Leaders, Senior Leaders in school – including Headteachers and some senior experienced teachers.

CEO confirmed to SB that this report is completed online and submitted directly to the Government. It will also be published on the Trusts website.

CEO read out JK’s comments in absentia on this matter: “My thoughts on this are that the Nexus GPG Report communicates the position in a clear and understandable way. Whilst there is a gender pay gap, why this occurs has been set out and is understandable in light of the explanation provided”.

Chair asked what the Trust pays the different roles within the schools? Are the caretaking staff men, and do they get more money than HLTAs and TAs?

CEO stated that there are no gender preferences with any roles that are advertised and the Trust has a competency-based assessment approach to all appointments.

Chair commented that it’s reassuring that both men and women feel equally able to apply for roles.

CEO advised that Directors may wish to commission a bespoke report from HR re: perceptions of gender and impact.

Chair replied that it may be something to consider in the future.

5.2.a Schools Resource Management Self-Assessment Checklist

KS provided an overview of the report and stated the only change made, was to clarify that the Audit and Risk Committee is combined with the Finance Committee.

Chair queried that it’s not combined and is just called Audit and Risk with differing agenda items.

CEO added that it is one committee with the same membership. The Trust may choose to have 2 separate committees from September, but the current model is providing a positive and integrated oversight across all functions within the Trust.

Chair stated that this document provides a useful checklist.

SB relayed his understanding that you can’t have the same chair if the committees are split.

KS confirmed that the Trust would need a separate chair, but there is no threshold on the number of shared members across the committees.

5.2.b Consolidated Self-Assessment Dashboard Data 2020-21

KS provided an overview of the report to the Directors, with an explanation on how the report was compiled and the insights to be gained.

KS confirmed to RPa that this report will be repeated and recirculated with 21-22 data, once this is available.

KS will also circulate updated information for budget setting to Directors, using the Trust’s new budgeting software.

<p>NJ agreed that KS’s summary for Directors would be very useful. CEO suggested organising a separate session with Directors re: the purpose and value of the toolkits used by the Trust, to support the SRMA (School Resource Management Advisor) visit.</p> <p>Action: KS to organise a separate session with Directors re: the purpose and value of the toolkits used (once timescales of SRMA visit are known).</p>	<p>KS SRMA Timings</p>
<p>5.3. Trust Risk Register</p> <p>CEO provided an overview of the updates made to the report and suggested including an additional and specific risk re: cyber security.</p> <p>Chair replied that this was worthwhile, as it’s ‘when, not if’ the Trust could be subjected to a cyber-attack. This view was shared by NJ.</p> <p>Action: CEO to include an additional and specific risk re: e-security, especially around ICT to the Trust Risk Register</p> <p>Chair queried if the cost of living is captured within the risk register. CEO replied that this detail is captured within the Finance Risk Register and confirmed to the Chair that this report will next be presented to Directors at the July Audit and Risk meeting, and be presented at the Trust Board meeting in June. However, the risk register currently includes reference to financial viability and sustainability, which accounts for changes in liabilities and environmental factors, which would include inflation.</p>	<p>CEO 15/05/23</p>
<p>5.4. Finance Risk Register</p> <p>KS provided an overview of the report and proposed including a temporary and specific risk for the next 6 months, in respect of the change and move to the new finance/budgeting system and payroll provider.</p> <p>Chair stated that she would feel comfortable with this proposal – even if only on a temporary basis. NJ agrees that this could have implications. It would be wise to include this risk with a view to remove in due course. CEO suggested that rather being specific to the system change, to add a new risk around ‘Systems and Processes’ to reflect a higher risk rating during the transitional phase and that this would be revisited.</p> <p>Action: CFO to add in an additional risk around- ‘Systems and Processes’ within the Finance Risk Register, and to reflect a higher risk rating during the transitional phase of the new finance/budgeting system.</p> <p>RP commented that this would be helpful and keeps this issue at a strategic level, which is more appropriate.</p> <p>The Committee voted unanimously in favour of this request.</p> <p>SB queried the RAG rating associated to the compliance with the Academies Financial Handbook. KS commented that this has not changed and reflects the number of requirements.</p>	<p>CFO 15/05/23</p>

<p>RPa added that the risk to the Trust is present, but that the Trust has control measures in place</p> <p>CEO stated that due to changes reflected in the report, there is evidence for the Residual Insecurities to be updated and refreshed. The introduction of a new procurement system will mitigate risk. The RAG rating could also be reduced to 9, reflecting that the 'likelihood' is 'unlikely' due to progress made since Autumn, but moderate impact remains.</p> <p>KS agreed with the changes suggested.</p> <p>RP queried if the implementation of the new systems would have an impact? CEO stated that new systems are being introduced to reduce the organisational risks that are reflected in the risk register. SB commented that the changes outlined by KS would be sighted through ongoing board meetings and conversations.</p>	
<p>5.5 Update on Budgeting and Finance System Procurement</p> <p>KS provided a verbal update to the Directors.</p> <p>KS advised that 3 suppliers had tendered for the Trusts new finance system. The chosen system will be SAGE Intacct for Education. This will be a more MAT focussed system and will also provide the required level of detail and stability. A free upgrade will be available in September, which will provide a wealth of proactive finance system benefits and will also remove a number of constraints.</p> <p>SB requested the timescales for implementation of the new system. KS replied that the tender results have been communicated today (6th March) and a detailed project plan has been issued to the Trust. The finance team are meeting tomorrow (7th March) to discuss the next steps. KS confirmed that schools will start using this new system from September 2023.</p> <p>NJ queried if this integrates with the new procurement system re: authorised orders? KS confirmed that this process will now be managed within one integrated system. NJ also queried if this new system would to be adapted to support special schools? KS replied that this is an education specific Sage product and is specifically designed for MATs. KS confirmed to NJ the superiority of the accounting structure available and the level of flexibility e.g. the ability to create codes for the nuances of Autumn Statement funding and the application of this funding to the Trust's schools.</p> <p>CEO acknowledged the helpful discussion and debate in respect of the Risk Register and the Finance Risk Register and whilst the documents are presented for the Directors to review, CEO wanted to ensure that the Directors felt supported during that process.</p> <p>Chair replied that having the discussion is very positive and believes it is also supporting their role in terms of the Risk Register.</p> <p>This was unanimously agreed by all Directors.</p>	

5.6. Competent Person Termly Update Report

JH provided an overview of the report with the following updates:

- Beech: A Site Supervisor now in place and the procedural reporting issues have now been resolved
- Discovery: Site security has been flagged as a parental issue, which is currently being managed as a Stage 1 complaint by the Headteacher and the SLT.
- Fountaindale: Pre-transfer/legacy issues raised in the audit, have now significantly reduced.
- The Trust has been seeking to bridge the gap between the fire issues identified in the RLB condition surveys and the ongoing site maintenance/support provided by ProAktive. The DfE/RPA fire resilience team will be supporting the Trust to undertake this task.
- The DfE/RPA fire safety project will include all Trust school sites.
- North Ridge is the only school to date to have fully completed this process and no issues were identified.
- Pennine View, Heatherwood and Coppice are currently mid-way through this process and will be followed by Hilltop, Kelford, Beech and Fountaindale.
- If partial DfE funding only is received to undertake any identified work, a discussion re: capital at the May Trust Board meeting may be necessary.

Chair reiterated concerns raised previously (and for the benefit of RPa) that ProAktive were not picking up potential breaches of the fire barriers in the ceiling space.

JH clarified that the risk was being identified, but without the full survey.

RP requested the RPA timescales for the audits and any subsequent work?

JH confirmed that the audits are taking 3-4 weeks, but as North Ridge had a 'clean bill of health', timings for completing and identified works is currently unknown.

RP sought assurances in respect of the 'Serious Breach/High Priority' issues reported at Discovery and Fountaindale.

JH reassured that the definition related to statutory reporting - actions have been undertaken, but not recorded on the ProAktive portal.

RP commented that the narrative is unclear re: the Becton/Moncrieffe priority areas.

JH confirmed that the day-to-day H&S statutory requirements were being met and that the Trust has received a commitment from Sheffield council that both Becton schools are on the priority list.

RPa stated that assessors do not always physically check ceiling spaces, but a commentary should confirm this. **RPa sought assurances that this was caveated within the Fire Risk Assessment report.**

RPa is encouraged to see the DfE/RPA fire safety project (with some funding), which will prove to be a valuable exercise.

RPa queried if it was recorded that the measures were in place at Discovery, despite not being evidenced on the ProAktive portal?

JH confirmed that a commentary is provided by ProAcktive and any issues would be highlighted.

RPa asked who is conducting the site audits at the Trust schools?

JH replied that it's a combination of the Site Manager and Office Managers. This will ensure that they both understand the requirements of the portal. The new Assets & Facilities Manager will also be able to provide cover during any absences and ensure statutory compliance.

RPa queried if the Site Supervisors/Managers complete the IOSH Managing Safely training?

CEO confirmed that Headteachers have completed IOSH Leading Safely training and Site Supervisors/Managers have completed IOSH Managing Safely training.

RPa acknowledged the narrative from the report, noted the improvement in the actions and also offered assistance/steering group if deemed appropriate.

SB questioned if Headteachers are involved in the audits?

JH stated that the ProAcktive reports are submitted to the Headteacher, as the Headteacher is responsible for the completion of any actions.

Chair relayed that the reports are very useful to the committee.

5.7 January Budget Monitoring Report

KS provided an overview of the report.

SB queried the level of risk re: the forecast income of £182k EHCP funding?

CEO will be liaising with the Headteacher on this matter and confirmed that the Trust are also working with Sheffield.

JH added that the Trust is working positively with the Sheffield Finance Team and is currently awaiting a decision. Advice has been received that AP (Alternative Provision) funding is currently being assessed and reviewed in Sheffield.

NJ requested the narrative re: the £64k utility costs at Kelford.

KS confirmed that this was being investigated as a possible issue with the meter.

NJ noted the reduced TA cost – is this affecting the level of support?

CEO reassured that this was not having a negative impact. Appropriate levels of staffing were being managed and existing support staff who were out of class have been positivity re-deployed to meet the needs of the school.

RP asked if detailed plans were in place for schools in deficit, and the impact over the next 6-12 months?

CEO stated that the viability and sustainability deadline is August 2024, which is also in line with the expected General Election. The Trust's schools have consistently been brought into financial health by securing growth. Hilltop/Kelford could potentially see significant growth. There is a real need and expectation for growth, alongside a willingness to invest. The Trust is faced with the same degree of uncertainty as has become typical over the last 8 accounting years, but in more unprecedented times. CEO and KS are meeting to discuss this issue.

<p>SB questioned if the final column on Table 1 should be in red? KS confirmed that it's a positive forecast (£1.2m to £1.3m)</p> <p>SB queried why the 'carry forward' differs from what was reported in the accounts? KS replied that the budget is set in July and the situation has improved.</p> <p>SB asked if the Trust will be carrying forward a deficit on the 'cashflow consolidated'? KS stated that this refers to the bank balance, which is positive.</p> <p>KS also confirmed to SB that the 'Budget Comparison' figures are annual.</p> <p>KS reassured NJ that the 'Current Budget' heading will be amended to 'Current Forecast'. This was just an error.</p>	
<p>5.8. High Needs Place Change</p> <p>CEO advised that following the annual Place Change Notification Process, the Trust is bringing this information to the Directors' attention.</p> <p>JH provided an overview and explanation of the process - in theory and in practice.</p> <p>JH advised that the pupil places coming forward for September have been fully funded and that overall, there are no significant issues or risk to the Trust.</p> <p>This was fully understood by the Directors and no questions were raised</p>	
<p>6. ANY OTHER URGENT BUSINESS</p>	
<p>6.1. To consider any other urgent business agreed by the Chair</p> <p>None</p>	
<p>7. CONFIDENTIALITY & RISK</p>	
<p>7.1. To consider the confidentiality of any items discussed during the meeting</p> <p>None</p>	
<p>7.2. To consider any area new risks identified during the meeting</p> <p>No specific risks to add.</p>	
<p>8. DATES OF NEXT MEETINGS</p>	

Monday 15 th May 2023	17:00 – 19:30	MS Teams	Finance & ICT
Monday 10 th July 2023	17:00 – 19:30	MS Teams	Audit & Risk

Minutes approved

CHAIR	SIGNATURE	DATE
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