



Audit & Finance Committee Meeting Focus: Finance & ICT 1st October 2018 at 17:15 – 19:30 Nexus HQ

Attendees:		
Sue Shelley	Director – Chair	
Steve Booth	Director	SB
Rachel Potts	Director	
Also Present:		
Clare Southwell	Nexus MAT Clerk	Clerk
Warren Carratt	CEO Nexus MAT	
Cath Sands	DCFO Nexus MAT	
James Kelly	Advisor to Committee attendance via phone link	
Naveen Judah	Advisor to Committee	NJ
Apologies:		
Tracey Brooke	CFO Nexus MAT	CFO





1.	WELCOME & APOLOGIES FOR ABSENCE	
	To receive apologies for absence es from CFO	
	To accept apologies for absence es accepted from CFO	
2.	ITEMS OF URGENT BUSINESS	
	Chair to determine any items of urgent business to be considered 2017 Audited Accounts	
3.	DECLARATION OF INTERESTS	
	Individual Directors to declare any personal, business or other governance interests on any item on the agenda vere no declarations of interest to items on the agenda	
4.	TRUST BOARD OF DIRECTOR MINUTES	
Audit &	To approve the minutes of the following meeting: Finance Committee meeting held on 18 th July 2018 nutes were approved & signed	
	Review of Action Tracker tstanding actions on the tracker were reviewed and updated	
There v It was r detail o	Matters arising from the minutes vere no other matters arising noted that an amendment has been made to the June minutes but there was not f the amendment. Clerk requested to put more detail into minutes & to let SS f the amendment. Clerk to investigate	CLERK 1
Risk reg	gister to be 1^{st} item on all agendas in future	CLERK 2
SS & RI	EP to meet to discuss risk register	_
5.	ITEMS TO BE CONSIDERED	
The rev	Terms of Reference for Audit & Finance Committee – Review vised Terms of Reference(ToR) for the Committee had been circulated with the , the ToR were set as the MAT was established so there has been changes & to processes & procedures as the MAT has developed	
Do thes	advising – are we doing that? se TORs cover the work of the committee – no section on risk mmittee should agree & approve the work of the internal audits	
meeting	Reports should be referred to the Trust Board, the business focus of these gs is reported by the Chair of the Committee at Trust Board meetings ers for the committees are accessible on Governorhub to all Directors	
4.1.5 –	KPIs – now coming through the dashboard	



This committee has split the work into two different focused meetings - Finance & ICT; Risk & Audit	
Assurance framework – do we have that? Is there any external assurance framework? ESFA carry out quality assurance by the regular returns that are statutory	
Felt that the ToRs included very broad statements. It was acknowledged that experts in various fields are invited in to undertake reviews within the Trust	
4.1.6 Fraud Response Plan - Anti Fraud, Bribery & Corruption Policy in place but is a Fraud Response Plan within this policy? Need to ensure continuity between documents Many of the points are carried out by Nexus officers & details are reported into A&F Committee	
6.3 Do we have employee Directors? Noted that prior to 1 st September 2018 this was the CEO.	
6.6 Reference to Headteachers being Chair of the committee? To be deleted as Headteachers not part of constitution of the committee	
No mention of Information Governance, ICT, GDPR & Risk to be added Separate sections under section 4 to cover all headings	
3.1.6 to be combined with 3.1.3	
CEO to make amendments as agreed & circulate to committee	CFO
5.2 High Level 12-month delivery plan Why details on back? This is a checklist that could be implemented any time during the year dependent on timing of growth	
List linked to Sept/Oct ESFA welcome pack issued to Crags	
Are there any times where it would be important to hold A&F Committee meeting? 19 th December 2018 Trust Board meeting already set to approve accounts.	
Will A&F Committee see them before this? These will be circulated to all Directors as soon as they are received Need questions prior to the meeting. Agreed to set deadline for questions a week before the Trust Board meeting	
Process of approving accounts is not clearly communicated, but not set in stone—try not to be discussed during meeting time. Process to be discussed at next meeting Last year — process was not good & very close to deadline. DCFO to request accounts from Auditors at least 2 weeks prior to Trust Board meeting. Felt that there should be a pre account approval meeting to discuss in full.	CLERK 1
Action to agree the Internal Audit plan have we agreed the plan? This item is on the agenda at item 5.10	
Review of Trust Financial manual – review of manual on agenda for A&F Committee on 14th January 2019	DCFO/ CLERK

maintained





	y Multi Academy Hust	
Regularity & Propriety – Review of benchmarking day November 2018. This work links into the Integrated Toolkit (provided by DfE) work that is being undertal and Improvement Funding (MDIF). There will be an 2019 by accredited consultants contracted by the Dft to January 2019.	Curriculum Financial Planning ken as part of the MAT Development external review of this in March	CFO 3
What is TPS? Teacher Pension Scheme – audit completed		
5.3 Management Accounts – virtual Q&A DCFO reported on the new HCSS financial system. E Directors to review and approve the new format. The centres	• •	
What are Consolidated Accounts? A monthly budget monitoring report is created by ea consolidated into one report. The report does not in Accounts. It was felt that consolidated should include central trust	clude the Nexus Central Trust	
The old format of reports was also circulated to see conversion from old to new. Are there any details be It was noted that there are less nominal codes, with down information where they want to investigate in	eing lost? HCSS Directors can request drilled	
Predicted outturns were discussed, is there a predict Any variations can be explained on the table below	red outcome for whole Trust?	
Does this new system supply information and give in That can be included & presented. Cash flow forecasts report also being prepared	nformation re debtors & liabilities?	
Currently the balance sheet is not seen till the end of happen?	f yea, will new system allow this to	
Directors requested a standard monthly pack of infor 1. Consolidated accounts 2. All individual academy accounts 3. Grants		
4. On a quarterly basis a balance sheet giving a sna5. A rolling 12-month cash flow to mitigate any risk	•	
It was agreed that the monthly balance reports should just the Chair or Trust & A&F Committee	ald be received by all Directors not	
If any accounts are adrift by an agreed percentage t automatically reported to A&F Committee	hen information needs to be	
Is there information about the School Fund Accounts SFAs have never been included in reporting & were a		





What would happen to the SFA monies if Nexus, the company ceased to exist, would they be part of the solvency? DCFO to obtain view of Hart Shaw, current auditors	DCFO 1
Schools request & apply for grants, what charitable money have they received? A discussion took place regarding fundraising & SFAs	
CS – if you have any further questions – email to CS	
Percentages – are they used/useful? Yes, looked at by Directors, percentages are useful when benchmarking Percentages are in-line with percentage of spend dependent on time of year	
Can descriptions be expanded or a key giving descriptions & details so that all can understand the different accounts	DCEO
DCFO to amend the reports & develop pack for regular reporting as agreed	DCFO 2
5.4 Academies Financial Handbook review of changes The ESFA Key Changes to the Academies Financial Handbook (AFH) document had been circulated to all Directors on its release. The document had been circulated again with the agenda and the CFO had added notes & comments in blue type onto the document to show the actions taken by Nexus officers to address the changes.	
It was noted that in a previous discussion Directors had been guaranteed that all was compliant	
Page 2 Novel transactions – What might Nexus have that could be a novel transaction? This might be a transaction related to a one off event such as a pupil international excursion.	
It was felt that with the new structure & procedures that academy funding via the ESFA is regulated at a higher level than LA funding for LA maintained schools which Directors agreed was appropriate	
As previously agreed monthly budget monitoring reports will be sent out to all Directors as part of good practice	
5.5 Crags Financial Management & Governance Self-Assessment (FMGS) The Report needs to be returned to ESFA prior to conversion. There are still some elements still to be finalised, red highlighted text on the report shows these areas	
21. Have all decision makers including the (trustees; members; local governors of academies), if a multi-academy trust; and senior employees completed the trust's register of business and pecuniary interests? It was noted that at the 1 st meeting of the Crags LGB in September that all Governors	
present had completed the Nexus Register of Interest	
What is the trigger for the requirement for an investment policy? Directors discussed Trust investments and the possible level but there is no figure/level currently set. All felt that it was important to invest in the current academies and that the Trust should not be hold a large surplus above the level of the agreed reserves unless it is being held for a specific reason	





5.6 Write Offs and Disposals Policy (inc ICT)	
5.6 Write Offs and Disposals Policy (inc ICT) The policy had been amended to included depreciation factors & GDPR and was therefore re-presented for approval	
Authority to write of a debt was discussed along with debt for equipment purchased by school that has not been reimbursed by the LA	
The policy was approved & agreed to be published	CLERK
5.7 Academy Disposal Approval – Kelford School Why have we got this? Have these been upgraded/exchanged? CFO to confirm who/how the value is estimated & whether the items have been exchanged as this would decrease the loss.	CFO 1
It was noted that due to the value & age of the items as they are over 7 years old that the book value would have been zero.	
Directors felt that the information on the report was important to receive and important that it is recorded that the laptops have been data wiped & so there is no risk.	
It was felt that the titles on the column headers did not match the information in the report, the form needs to be reviewed to ensure accurate & fully explanations of the information be reported is included. Directors requested that the school name & date be included on future reports. CFO to review form	CEO 2
5.8 HCSS implementation HCSS finance program has now taken over from FMS. The program is cloud & internet based, there has been some teething problems but nothing major. FMS is now closed with a data capture on 31st August 2018 for Period 13 still being available to ensure the hand over to the new year is accurate.	
The DCFO is developing new procedures & best practice processes. Basic training for staff for $1\frac{1}{2}$ days has taken place & a further $1\frac{1}{2}$ days will take place on specific training required by the Trust.	
The Trust purchased the gold support package & helpline, again there have been some problems accessing the support but only minor teething problems.	
The first end of month returns are just being completed along with the first bank reconciliations & VAT returns	
Has anything surprised you? No surprises yet, the DCFO has used a similar program preciously, everyone seems to like the new system and it is saving time for all due to it being cloud & internet based as central trust officers are able to see school documents.	
Crags have attended the training sessions so will move straight onto the new system on conversion	
Business Managers (BMs) need to understand the concept of accountancy. It was felt that over the next 3-4 months there will be errors due to basic understanding of school	





staff but these will be addressed.

Do staff have AAT qualifications?

No, not all have qualifications. It was felt that the basic understanding of accountancy should be the basic level of a BMs understanding. BMs have to perform against a prescribed criterion, if they do not, this will need to be addressed. BMs need to provide value for money but they are employed and line managed within each individual academy. The DCFO is not an extension of the BMs, the DCFO works for the central trust. If BMs need more & continued support then this will have to be addressed by their individual.

5.9 ICT Strategy update

Information Governance Strategic Framework 2018-2021 along with the plan on a page had been circulated with the agenda. Directors were pleased with the documents that gave a clear & concise understanding of what is happening

5.9.1 Information Governance Strategic Framework 2018-2021

Where has the wording come from?

CEO not sure, this is document created by Ian Burns, IT

Question re Page 4, Incorporating Schools, it was noted that this was in relation to new schools coming onboard & the incorporation of new schools, not boarding schools. It was also noted that this is also in other parts of the document – IB to amend

IB 1

How do we know that what we read is happening? Outcomes & IG Toolkit, how do we know this is taking place?

IB has regular meetings & reviews with each academy which covers a wealth of data, purchase & disposal of IT equipment

This should cover the wealth of **all** data in school but currently IB is only covering the items related to IT. We need to ensure that all data and files, electronic & paper are included within this. This document feels that it is only dealing with IT.

Headteachers are the responsible officers in each academy. IB is a central officer who supports the IT staff in the academies. Work needs to continue to balance the remit of IB & the expectations of the Headteachers in their role as responsible officers.

Who is Trust Data Protection Officer?

The CFO is named officer for Nexus

It was agreed that this report is the first level of strategy. The Committee needs to continue to receive further updates & action plans. Thanks was given to IB for detailed report. The Trust needs to ensure Directors receive the wider picture and that information is not just coming from IB but that there is assurance & that Headteachers are also held to account. CEO to work with IB to refine & circulate prior to next meeting

CEO/IB

5.9.2 E-Safety Update

IB continuing to address & lead E-Safety meetings across the Trust including Crags. Notable outcomes are the potential use of Google Trailer & Google Internet Legends to continue the development & understanding of staff and pupils. It is hoped that this will





strengthen & enrich models of delivery already in place in the academies. The E-Safety group continues to work together to create best practice across the Trust.

Reporting - It has been agreed that the use of CPOMS remains the best method to ensure operational consistency. E-Safety leads are liaising with DSLs & Headteachers to implement, where this is not already in place. A dedicated section within CPOMS to report E-Safety incidents is being developed

Assessments – External reporting on all schools with the exception of Crags will take place late October, funded by the Trust under Schools Improvement. This year Nexus will review strategic leadership and direction. Post assessment meetings will be conducted where required.

New Schools/Conversions - IB will conduct an internal E-Safety assessment with any new school which will highlight any required development and ongoing good practice.

Risk/Incidents – There have not been any localised incidents reported to the Trust for action/support.

GDPR

Reporting – ICT Network assessments have been undertaken & all indicators show past good practice remains in place. GDPR, and its place in the school operational systems and vocabulary is very much embedded.

The GDPR assessment report will be reviewed in early 2019. The original report from May 2018 will be utilised to mark the first annual assessment.

Assessments – The national landscape is still changing in terms of external assessment of GDPR, the Trust will employ its own toolkits until formal pathways are available from the ICO.

New Schools/Conversions - Actions taken by RMBC support have mitigated high level risks in terms of staff laptop encryption. The schools remain in line with our reporting assessments which was part of our pre conversion support value added.

Risks/incidents since previous meeting

Freedom of Information - no requests

Subject Access request (SAR) – one received at school level and local to one site. This was handled within the time constraints and no further actions were required. In this case, the Trust assisted with legal and operational advice on request of the school.

There are no breaches to report

There are no complaints to report at school or trust level.

Incidents – There has been two localised incidents at one school and mitigated by SLT, no Trust action required

Tim Pinto will again carry out an external review funded centrally by the Trust

5.10 External Audit and accounts preparation timeline

The DCFO is finalising all ledgers & assisting schools to close down the year end. The





new auditors, Hart Shaw are attending and files from BHP, the previous auditors will be used to ensure a smooth handover. Two officers from Hart Shaw will be at the central office to prepare the accounts with a week contingency in place to address any issues raised. Early work with Hart Shaw is proving to be very good. Directors discussed the need for an extra meeting. The first draft of the account report is expected by 5 th December 2018.	
It was agreed to hold an additional meeting on 12 th December 2018, 17:00-19:00 for all Directors and advisors from the A&F Committee. This will give time for Directors to discuss the report in detail. Clerk to arrange. Wherever possible questions should be raised with the DCFO prior to the meeting so that Hart Shaw are able to investigate & respond. DCFO to also invite Hart Shaw to this meeting. This will ensure that the formal sign off at the Trust Board meeting on 19 th December 2018 runs smoothly.	All Directors Clerk/ DCFO
5.11 Agree 2018/2019 Internal Audit Work plan It was felt that this was a very comprehensive report. The details of reporting were discussed. It was noted that Hart Shaw will report to the Accounting Officer, the CEO, who will forward the report onto Directors to review prior to the meeting	
Directors noted that HR items re: records of staff holidays; overtime sheets; & DBS checks were to be addressed as these are all linked to costs within the Trust & the robustness of the systems.	
The CEO raised the issue of the authorisation of the CEO expenses. It was felt that this should be the duty of an external independent officer person. This person would need to be able to authorise on the HR system/portal. It was agreed that this issue should also be included as part of the audit work plan	DCFO
6. ANY OTHER URGENT BUSINESS	
6.1 BHP & 2017 Audited Accounts	
THIS ITEM WAS DEEMED TO BE CONFIDENTIAL PLEASE SEE APPENDIX 1 FOR INFORMATION	
7. CONFIDENTIALITY & RISK	
7.1 To consider the confidentiality of any items discussed during the meeting Item 6.1 was deemed to be confidential	
7.2 To consider any area new risks identified during the meeting Crags PFI to be included as a risk at the next Audit & Finance Committee meeting – Action for CFO for next meeting	CFO
8. DATES OF NEXT MEETINGS	
8.1 Future meeting dates:	
Tuesday 13 th November – Leadership Summit – 16:00 – 19:00 at The Source, Meadowhall Monday 19 th November 2018 at 17:00 – 19:30 – Nexus Headquarters Monday 14 th January 2019 at 17:00 – 19:30 – Nexus Headquarters Monday 4 th March 2019 at 17:00 – 19:30 – Nexus Headquarters	



Monday 13 th May 2019 at 17:00 – 19:30 – Nexus Headquarters	
Wednesday 19th June – Leadership Summit – 16:00 – 19:00 at The Source, I	Meadowhall
Monday 1 st July 2019 at 17:00 – 19:30 – Nexus Headquarters	

Minutes approved

CHAIR	SIGNATURE	DATE
SUE SHELLEY		