



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

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

1. WELCOME & APOLOGIES FOR ABSENCE		
1.1	To receive apologies for absence Apologies from CFO	
1.2	To accept apologies for absence Apologies accepted from CFO	
2. ITEMS OF URGENT BUSINESS		
2.1	Chair to determine any items of urgent business to be considered BHP & 2017 Audited Accounts	
3. DECLARATION OF INTERESTS		
3.1	Individual Directors to declare any personal, business or other governance interests on any item on the agenda There were no declarations of interest to items on the agenda	
4. TRUST BOARD OF DIRECTOR MINUTES		
4.1	To approve the minutes of the following meeting: Audit & Finance Committee meeting held on 18 th July 2018 The minutes were approved & signed	
4.2	Review of Action Tracker The outstanding actions on the tracker were reviewed and updated	
4.3	Matters arising from the minutes There were no other matters arising It was noted that an amendment has been made to the June minutes but there was not detail of the amendment. Clerk requested to put more detail into minutes & to let SS know of the amendment. Clerk to investigate Risk register to be 1 st item on all agendas in future SS & REP to meet to discuss risk register	CLERK 1 CLERK 2
5. ITEMS TO BE CONSIDERED		
5.1	Terms of Reference for Audit & Finance Committee – Review The revised Terms of Reference(ToR) for the Committee had been circulated with the agenda, the ToR were set as the MAT was established so there has been changes & update to processes & procedures as the MAT has developed 3.1.3 – advising – are we doing that? Do these TORs cover the work of the committee – no section on risk This committee should agree & approve the work of the internal audits 4.1.3 – Reports should be referred to the Trust Board, the business focus of these meetings is reported by the Chair of the Committee at Trust Board meetings All papers for the committees are accessible on Governorhub to all Directors 4.1.5 – KPIs – now coming through the dashboard	

<p>Regularity & Propriety – Review of benchmarking data for academies in set for November 2018. This work links into the Integrated Curriculum Financial Planning Toolkit (provided by DfE) work that is being undertaken as part of the MAT Development and Improvement Funding (MDIF). There will be an external review of this in March 2019 by accredited consultants contracted by the DfE, so recommendation to move this to January 2019.</p> <p>What is TPS? Teacher Pension Scheme – audit completed</p>	<p>2</p> <p>CFO</p> <p>3</p>
<p>5.3 Management Accounts – virtual Q&A DCFO reported on the new HCSS financial system. Dummy reports were circulated for Directors to review and approve the new format. The DCFO explained the new cost centres</p> <p>What are Consolidated Accounts? A monthly budget monitoring report is created by each academy they are then consolidated into one report. The report does not include the Nexus Central Trust Accounts. It was felt that consolidated should include everything, all schools grants & central trust</p> <p>The old format of reports was also circulated to see if there is anything missed in the conversion from old to new. Are there any details being lost? It was noted that there are less nominal codes, with HCSS Directors can request drilled down information where they want to investigate in more detail.</p> <p>Predicted outturns were discussed, is there a predicted outcome for whole Trust? Any variations can be explained on the table below</p> <p>Does this new system supply information and give information re debtors & liabilities? That can be included & presented. Cash flow forecasts report also being prepared</p> <p>Currently the balance sheet is not seen till the end of yea, will new system allow this to happen?</p> <p>Directors requested a standard monthly pack of information to include:</p> <ol style="list-style-type: none"> 1. Consolidated accounts 2. All individual academy accounts 3. Grants 4. On a quarterly basis a balance sheet giving a snapshot of where the company is 5. A rolling 12-month cash flow to mitigate any risk <p>It was agreed that the monthly balance reports should be received by all Directors not just the Chair or Trust & A&F Committee</p> <p>If any accounts are adrift by an agreed percentage then information needs to be automatically reported to A&F Committee</p> <p>Is there information about the School Fund Accounts (SFA)? SFAs have never been included in reporting & were always audited separately when LA maintained</p>	

<p>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</p> <p>Schools request & apply for grants, what charitable money have they received? A discussion took place regarding fundraising & SFAs</p> <p>CS – if you have any further questions – email to CS</p> <p>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</p> <p>Can descriptions be expanded or a key giving descriptions & details so that all can understand the different accounts</p> <p>DCFO to amend the reports & develop pack for regular reporting as agreed</p>	<p>DCFO 1</p> <p>DCFO 2</p>
<p>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.</p> <p>It was noted that in a previous discussion Directors had been guaranteed that all was compliant</p> <p>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.</p> <p>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</p> <p>As previously agreed monthly budget monitoring reports will be sent out to all Directors as part of good practice</p>	
<p>5.5 Craggs 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</p> <p><i>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?</i></p> <p>It was noted that at the 1st meeting of the Craggs LGB in September that all Governors present had completed the Nexus Register of Interest</p> <p>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</p>	

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

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

5.9.2 E-Safety Update

IB continuing to address & lead E-Safety meetings across the Trust including Craggs.

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

**IB
1**

**CEO/IB
2**

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 Craggs 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

<p>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.</p> <p>Directors discussed the need for an extra meeting. The first draft of the account report is expected by 5th December 2018.</p> <p>It was agreed to hold an additional meeting on 12th 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 19th December 2018 runs smoothly.</p>	<p>All Directors Clerk/ DCFO</p>
<p>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</p> <p>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.</p> <p>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</p>	<p>DCFO</p>
<p>6. ANY OTHER URGENT BUSINESS</p>	
<p>6.1 BHP & 2017 Audited Accounts</p> <p>THIS ITEM WAS DEEMED TO BE CONFIDENTIAL PLEASE SEE APPENDIX 1 FOR INFORMATION</p>	
<p>7. CONFIDENTIALITY & RISK</p>	
<p>7.1 To consider the confidentiality of any items discussed during the meeting Item 6.1 was deemed to be confidential</p>	
<p>7.2 To consider any area new risks identified during the meeting Craggs PFI to be included as a risk at the next Audit & Finance Committee meeting – Action for CFO for next meeting</p>	<p>CFO</p>
<p>8. DATES OF NEXT MEETINGS</p>	
<p>8.1 Future meeting dates:</p> <p>Tuesday 13th November – Leadership Summit – 16:00 – 19:00 at The Source, Meadowhall Monday 19th November 2018 at 17:00 – 19:30 – Nexus Headquarters Monday 14th January 2019 at 17:00 – 19:30 – Nexus Headquarters Monday 4th March 2019 at 17:00 – 19:30 – Nexus Headquarters</p>	

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

Minutes approved

CHAIR	SIGNATURE	DATE
SUE SHELLEY		