



Audit & Finance Committee Meeting
Focus: Finance & ICT
30th September 2019 17:00 – 19:30
Nexus HQ

Attendees:		
Sue Shelley	Director – Chair	SS
Steve Booth	Director	SB
Rachel Potts	Director	RP
Also Present:		
Diane Hyner	Nexus MAT Clerk	Clerk
Warren Carratt	CEO Nexus MAT	CEO
Cath Sands	CFO Nexus MAT	CFO
Naveen Judah	Advisor to Committee	NJ
Ian Burns	Strategic ICT & Information Governance Lead	IB
Apologies:		
James Kelly	Advisor to Committee attendance via phone link	JK
No Apologies:		
Ray Palmer	Director	RPa

1. WELCOME & APOLOGIES FOR ABSENCE	
1.1 To receive apologies for absence JK There were no apologies received from RPa	
1.2 To accept apologies for absence Apologies accepted from JK	
2. ITEMS OF URGENT BUSINESS	
2.1 Chair to determine any items of urgent business to be considered There were no items of urgent business	
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 SS informed the group that she has had to log with her employer RMBC that she is a Director of Nexus Multi Academy Trust	
4. AUDIT & FINANCE MINUTES	
4.1 To approve the minutes of the following meeting: Audit & Finance Committee meeting held on 1 st July 2019 SS informed the Clerk that an action had been missed on the action tracker. Action – Clerk to add action for SS to telephone Chair of TBoD following A&F Committee meetings to provide an update and discuss any issues. A discussion followed relating to arranging for members of the A&F Committee to meet with auditors from Hart Shaw. Agreed to meet on the 4 th December 2019 with Directors 1600 – 1700 and then 1700 – 1900 with Directors and Staff. Action – Clerk to invite NJ to the meeting with Auditors. SS confirmed the January meeting date has changed to the 27 th and July to the 21 st . The minutes were approved and signed	Completed Clerk 18/11/19
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 matters arising.	

5. ITEMS TO BE CONSIDERED	
<p>5.1 Letter from Eileen Milner</p> <p>Referring to Page 1 and the general context, the CEO stated this is a grim baseline of what academies are operating at and EM is wanting academies to act in a professional manner.</p> <p>SS stated the A&F committee need to show it has considered internal scrutiny and ask would we do anything differently.</p> <p>RP stated she felt the committee is scrutinising but that we need to reflect how we do it.</p> <p>CEO stated he felt that practice is where it should be.</p> <p>CEO confirmed we have configured the committees to reflect the skill set people have.</p> <p>SS highlighted that on P2 it stated that there is a requirement to send a new scrutiny report.</p> <p>CFO confirmed it is the internal audit report which has already been provided to the DfE recently as part of papers requested by the Headteacher Board.</p> <p>A discussion followed relating to the Academies Financial Handbook particularly in relation to scrutiny and the need for all to read the information in the Handbook.</p> <p>CEO stated the CFO has discussed having a financial risk register so we pick up controlled risks outside of the internal audits. The CFO currently keeps a record of all of the financial risks.</p> <p>CEO stated the Trust have a budget report where it highlights risks and uncertainties.</p> <p>In the vein of risks, discussion followed relating to issues with RMBC payroll. CEO has written to the HR Director and Paul Cosgrove and informed the committee that the Trust is currently undergoing a tendering exercise to find a new payroll provider.</p> <p>P3 - RP asked about the school resource management self-assessment tool at the bottom of the page and wondered if this is something we have used? CFO confirmed that all of our schools have completed it and that it has been used as part of a bid. The self-assessment will be submitted by the 14th of November.</p> <p>P4 - SS stated she didn't understand what the SRMSA was. CEO explained that as part of school condition improvement funding we are required to complete the SRMSA and a consultant will be assigned to review our work. New convertor academies now have to submit this to the DfE, instead of the FGMS return.</p> <p>P5 – SS stated in relation to fraud risk management this is a good question to ask ourselves. RP queried who advises the Trust relating to Fraud CFO confirmed that Barclays provide good advice.</p>	
<p>5.2 HCSS/DfE Chart of Accounts</p> <p>CFO informed the committee that from 1st September we have moved to the new ESFA standard chart of accounts. Directors will see no differences in monthly reports as the information falls behind/below the reports provided to them. The ESFA chart of accounts has been adopted and seems to be working ok.</p> <p>RP queried if training sessions had been provided?</p>	

<p>CFO confirmed we have sent the information has been sent out to SBM but that the finance and compliance officers are completing the majority of the work.</p> <p>NJ stated he is hoping that statutory reports are lifted from the chart of accounts resulting in less room for error.</p> <p>CFO confirmed that the ESFA are generating reports to pull out relevant information.</p> <p>CFO informed the committee that HMRC had recently visited Kelford relating to underpaid PAYE. The finance officer informed them of the issues with RMBC payroll.</p>	
<p>5.3 High Level 12-month Delivery Plan</p> <p>CFO presented the updated 12-month delivery plan. The document is in a new format. All Directors approved this document.</p>	
<p>5.4 Trust Budget Monitoring Report (July 2019)</p> <p>SB stated that his calculations left 3k unaccounted for in the budget reports, compared to that reported on the front summary sheet.</p> <p>CFO confirmed the information had been missed from the summary report, and informed the committee it is the NI rebate that we received late.</p> <p>A discussion followed relating to the difference in variance.</p> <p>SB stated it would help the committee to have a paragraph to explain the differences</p> <p>Action – CFO to update the budget monitoring report with explanations regarding variances</p> <p>A discussion followed relating to funding to schools and outstanding funding owed by LAs.</p> <p>CFO has met with officers in the Local Authority to discuss this and all outstanding funding issues are almost secure, other than for a child at Kelford school where Sheffield City Council have still not confirmed the funding. CEO is actively pursuing this.</p> <p>A discussion followed relating to school surplus budgets. This information is also in reports presented to TBoD.</p>	<p>CFO 18/11/19</p>
<p>5.5 Year End Deliverables</p> <p>CFO gave an update relating to the direction of travel and year end deliverables. CFO worked with Hart Shaw to ask what information they need so the Trust can work with their schedule for the annual accounts.</p> <p>SS queried if people have got the ability to complete the tasks</p> <p>CFO confirmed yes if staff have the time to do the work. Some of the items may not be completed in time.</p> <p>SB stated this is a piece of work that reinforces the scrutiny of this committee.</p>	
<p>5.7 Internal Audit Work Programme 2019/20 – 2 documents</p>	

<p>The internal work program was presented to the committee for agreement and signing if approved prior to being sent to Hart Shaw.</p> <p>CFO talked through the report.</p> <p>Discussion followed relating to financial risk and broader risk</p> <p>CEO stated we will use the 6 areas as a frame for financial risk and the audit focus meeting will discuss the financial risk register separate to this. RP queried if broader risk should be included in this report? CEO – our internal audit it is purely around financial risk.</p> <p>SB stated this document will be a useful tool when the committee meet with auditors</p> <p>CFO informed the group that Hart Shaw have requested a nominated person to receive the reports. All agreed that all of the A&F committee receive the reports.</p> <p>SB asked when do we meet with the internal auditors? SS stated that the committee should meet with the external auditor first in December and the internal auditor in the spring.</p> <p>SS queried p2 relating to banking and locked systems and wondered if there is a danger the Trust have different controls on electric and other systems. IB confirmed it should be the same as we have systems in place to ensure they are equally secure.</p> <p>RP stated the plan is that the audit is April 2020 and wondered if that is the right time to do it taking into account the issues with payroll from RMBC</p> <p>CEO confirmed that there is nothing about payroll that we are not acutely aware of and the issues will be recorded on the risk register so this is the right time, as it will give the chance for a payroll provided to be embedded before it is tested.</p> <p>CEO suggested the meeting with Hart Shaw is arranged for 2nd March prior to the A&F meeting starting at 4pm. Action 1 – CFO to arrange the meeting with Hart Shaw.</p> <p>Action 2 – Clerk to add the date of the meeting to the bottom of agendas and minutes.</p> <p>All voted to accept this as a work plan.</p>	<p>CFO 18/11/19</p> <p>Clerk 18/11/19</p>
<p>5.8 ICT Information Governance & Strategic Update</p> <p>IB presented the ICT Information Governance & Strategy Update</p> <p>SS queried p1 and asked which site is Horizon CEO confirmed it is the satellite provision from Abbey School in Barnsley</p>	

SS asked about when will the windows 10 upgrade be.
IB stated they are working on completion by November.

SB asked if the cloud based single central record replaces the paper record?
CEO confirmed we no longer use the paper records and currently use an Excel spreadsheet.

RP queried if this will this replace what we already have.
IB stated it will build on what we already have.

CEO gave information relating to a recent Ofsted inspection and stated an online system would improve Trust oversight.

CEO informed the group that the new HR advisor will go to schools to check relevant information on SCR and ensure archived documents meet all requirements.

A discussion followed relating to documents and the ability to scan them to the new system.

SB asked if we need to keep some paper based records.
IB informed the committee that in the first phase documents will need to be kept for 12 months. Following that we will keep the copy for 3 months.

CEO confirmed that documents relating to recruitment will be kept for 6 months and after that they will be destroyed.

A discussion followed relating to the CEOP Ambassador program.

A discussion followed relating to the recruitment for the ICT Engineer. IB gave details of the time scale of the recruitment.

SS asked if the Trust does anything equivalent of a PSN test?
IB stated we have covered this previously and now we will cover this through Site Security Essentials Framework and once the Trust has accreditation and checked internally we will then ask for external testing which is a higher tier of testing.
IB went on to say the school engineers are working together as a group to support each other, challenging one and other and IB. They are working on a more corporate model.

SS asked about the CPD program and queried if it is something we all need to do and if it was electronic learning?
IB confirmed that all Directors have been accounted for in the training licenses. It is inclusive of all of the new schools and IB will inform directors of the timescale of the training.

SB highlighted that in the report it should refer to the CEO and not Warren Carratt.
Action - IB to amend future ICT Information Governance & Strategic Update reports to read CEO not Warren Carratt.

SS thanked IB for the report

IB
27/01/20

5.8.1. Information Governance Strategic Framework 2019/20 Document

IB gave background information and asked for questions.

CEO stated this was agreed last year as a document and feels it is still fit for purpose. SS queried if we need something about Data Protection in the Framework and do we need to do CPD for the students.

IB informed the committee that we do not do anything yet regarding CPD for students but his plan is that the Trust will through the CEOP Ambassadors and IB would like to introduce a course where students can obtain certificates. The Trust wants to offer a professional learning which students can add to their CV’s.

RP asked does this go to the full board?

CEO informed the group that the trust board delegates the responsibility of challenge and oversight to this committee.

5.8.2 GDPR/Data Protection Assessment

IB stated this assessment was to show committee members an updated version of the old statement where some information has been stripped out. This is what IB has been doing as due diligence at a high level rather than granular and it will be rolled out and developed every year.

RP stated it would have been helpful with a half page explanation of what this report was about.

IB informed the committee this assessment will start in the first half of the academic year and by the end of the first half term I will need the relevant information.

The committee thanked IB for his work

6. ANY OTHER URGENT BUSINESS

6.1 To consider any other urgent business agreed by the chair
There were no items of urgent business

7. CONFIDENTIALITY & RISK

7.1 To consider the confidentiality of any items discussed during the meeting
No items were deemed to be confidential

7.2 To consider any area new risks identified during the meeting
Risks identified will be discussed at the next meeting.

8. DATES OF NEXT MEETINGS

Monday 18 th November 2019	17:00 – 19:30	Nexus HQ	Audit & Risk
Wednesday 20 th November 2019	16:00 – 19:00	The Source Meadowhall	Leadership Summit
Monday 27 th January 2020	17:00 – 19:30	Nexus HQ	Finance & ICT

Monday 2 nd March 2020	16:00 – 17:00	Nexus HQ	Hart Shaw
Monday 2 nd March 2020	17:00 – 19:30	Nexus HQ	Audit & Risk
Monday 11 th May 2019	17:00 – 19:30	Nexus HQ	Finance & ICT
Tuesday 9 th June 2020	16:00 – 19:00	The Source Meadowhall	Leadership Summit
Tuesday 21 st July 2020	17:00 – 19:30	Nexus HQ	Audit & Risk

Minutes approved

CHAIR	SIGNATURE	DATE
SUE SHELLEY		