



Audit & Finance Committee Meeting
Focus: Audit & Risk
18th November 2019 17:00 – 19:30
Nexus HQ

Those Present:		
Sue Shelley	Director – Chair	SS
Steve Booth	Director	SB
Ray Palmer	Director	RPa
Rachel Potts	Director	RP
Also Present:		
Warren Carratt	CEO Nexus MAT	CEO
Naveen Judah	Advisor to Committee	NJ
Emma Heyes	Strategic Change Project Manager	EH
James Kelly	Advisor to Committee (attendance via telephone link)	JK
Cath Sands	CFO Nexus MAT	CFO
Emma Sheedy	Nexus MAT Clerk	Clerk
Apologies:		
No Apologies:		

1. WELCOME & APOLOGIES FOR ABSENCE	
<p>1.1. To receive apologies for absence</p> <p>No apologies were received.</p> <p>[RPa joined the meeting at 17:06 and apologised for being late].</p>	
<p>1.2. To accept apologies for absence</p> <p>No apologies were received.</p>	
2. ITEMS OF URGENT BUSINESS	
<p>2.1. Chair to determine any items of urgent business to be considered</p> <p>Introductions were made around the table.</p> <p>The following items of urgent business were determined:</p> <p>2.1.1. Letter from Lord Agnew</p> <p>2.1.2. Flood Damage to Schools</p> <p>2.1.3. School Burglaries</p>	
3. DECLARATION OF INTERESTS	
<p>3.1. Individual Directors to declare any personal, business or other governance interests on any item on the agenda</p> <p>SS advised the committee that following her declaration of interest to RMBC, for her role as Director of Nexus MAT, a risk assessment had been conducted.</p> <p>RPa declared an interest regarding H&S as he works as an H&S Consultant.</p>	
4. AUDIT & FINANCE COMMITTEE MEETING MINUTES	
<p>4.1. To approve the minutes of the following meeting:</p> <p>The minutes of the Audit & Finance Committee meeting held on 30th September 2019 were reviewed and the following amendments agreed:</p> <p>Page 2 Change wording to read “Agreed to meet on the 4th December 2019 with Directors 1600 – 1700 and then 1700 – 1900 with Directors and Staff”.</p> <p>Page 2 Change wording to read “SS confirmed the January meeting date has changed to the 27th and July to the 21st”.</p> <p>Page 3 Delete the sentence “SS asked if the committee needs to be more pro-active or be more realistic”.</p> <p>Page 4 SS asked NJ if he was happy with the wording “NJ stated he is hoping that statutory</p>	

<p>reports are lifted from the chart of accounts resulting in less room for error” and NJ advised he was.</p> <p>ACTION: Clerk to amend the minutes as agreed.</p>	<p>CLERK Completed</p>
<p>4.2. Review of Action Tracker</p> <p>The outstanding actions on the tracker were reviewed and updated.</p>	
<p>4.3. Matters arising from the minutes</p> <p>There were no matters arising.</p>	
<p>5. ITEMS TO BE CONSIDERED</p>	
<p>5.1. Trust Risk Register</p> <p>The Nexus MAT Risk Register had been shared with the committee in advance of the meeting and comments/challenge were as follows:</p> <p>SS explained that since the last meeting the commentary and level of risk had been further updated.</p> <p>CEO outlined the Risk Register is not a risk log or action plan. It is a strategic document to highlight key risk and the operational controls in place to mitigate the risk.</p> <p>ACTION: CEO to add a one-line sentence to summarise report content and add “Strategic” to the report title.</p> <p>SS asked how often this document would be presented to the TBoD and CEO advised yearly unless there are any significant escalations to be brought to the TBoD’s attention.</p>	<p>CEO 02/03/20</p>
<p>5.2. High Level 12-month Delivery Plan</p> <p>CFO provided an overview of the High Level 12-month Delivery Plan.</p> <p>SB queried if the statutory return dates for December should be 31/12/19 not 31/12/20 and CFO agreed.</p> <p>ACTION: CFO to amend the dates on the report.</p> <p>RP asked if Nexus are on track to meet the deadlines and CFO advised yes.</p> <p>SB asked what the biggest challenge is and CFO advised year end final accounts.</p>	<p>CFO 13/01/20</p>
<p>5.3. Health & Safety Update</p> <p>EH provided an overview and summarised the H&S Audit Update, which was discussed/challenged as follows:</p> <p>SS highlighted the error in Table 1 for Craggs which should be PFI not PVI.</p> <p>ACTION 1: EH to update Table 1.</p> <p>EH explained that the audits had not identified anything dangerous or high risk and the majority of schools were already making significant progress in terms of addressing the actions that were identified.</p> <p>JK asked the duration of the fire audits and EH advised annual and findings would</p>	<p>EH 02/03/20</p>

be tabled at the next mtg.

RPa asked what CPOMS is and CEO advised Child Protection Online Management System.

SS queried the accident at Hilltop which had been reported to RIDDOR and RPa explained the RIDDOR reporting process. **RP further asked about the incident and whether remedial action had been taken to eliminate future re-occurrence** and CEO outlined all appropriate action had been taken by the Headteacher.

EH asked the committee if her accident reporting analysis within the H&S Update was acceptable and all confirmed it was. **SS queried there being no other incidents in any of the other schools** and CEO explained the report only included those which met the RIDDOR threshold. EH advised ProAktive had volunteered to conduct accident analysis on an annual basis and the committee were positive about this being undertaken.

RP asked if ProAktive charge extra for the additional items such as the annual accident analysis and EH advised of no additional charges.

EH summarised the IOSH Training recommendation for Leading and Managing Safely and RPa provided an overview of the two courses. The committee supported Headteachers & Deputy Headteachers attending Leading Safely and SBM's & Site Managers attending Managing Safely. Training logistics were discussed and agreed courses should take place around Spring, should not be run on the same day and for all schools to do together to promote networking.

SS queried who's already trained and EH advised a training audit had not yet been carried out and believed SBM's should already be trained.

ACTION 2: EH to conduct a Training audit across all schools to identify need and then ensure ProAktive review this going forward.

ACTION 3: CEO to speak to all Headteachers over the next few weeks; explaining the need and outline all schools need to fully support as it would be a central cost, otherwise costs would be re-charged.

SB asked if schools have a budget for training and CFO confirmed they do. There was a discussion and the majority of Directors in attendance agreed the training should be a Trust cost.

ES advised each of the following school appendices outlined at 5.3.1. to 5.3.5. would also be tabled at their LGB and be subject to discussion/scrutiny.

5.3.1. Abbey School

EH advised the findings for Post 16 WAVEE would be tabled at the next mtg.

EH
02/03/20

CEO
02/03/20

SB asked RPa if the ratio of 24 areas not being met out of 176 was 'good' and RPa explained it depends what the 24 areas were etc.

SS asked about Category 10 Welfare/First Aid and the lack of procedure in place and EH advised her hypothesis regarding this. **NJ further asked about specific 'high tier' medicines and SS asked about food allergies**, there were discussions and it was agreed EH would review the audit findings and address for all schools.

ACTION 4: EH to look at specific 'high tier' medicines and food allergies.

5.3.2. Crags Community School

EH shared with the committee how positive the Crags report was.

5.3.3. Pennine View School

SS asked if any of the 14 areas not being met were high risk and EH advised none were.

SS queried Category 2 Contractor Competency and explained she believed this should be resolved within seven days and this was noted by EH.

5.3.4. Hilltop School

Additional items were identified during their 6-month review and there were discussions regarding; Caretaker training, recording site inspections and COSHH assessments.

EH advised that following feedback, ProActive provided a one-day Caretaker training course at Hilltop School which took place last week and was well received. Feedback was shared with the committee.

SB asked if there is a process for testing ProActive and EH explained ProActive revisit after six months, spot checks are carried out by Head teachers, H&S reports go to LGB's for openness and discussion and Governor/learning walks are also conducted and recorded.

There was a discussion regarding 'near miss' awareness and whether a form to capture 'near miss' incidents should be implemented. It was agreed the committee were happy with the systems currently in place and although the significant reliance on ProActive is acknowledged, we just need to quality assure and actively manage work undertaken/findings against their SLA.

5.3.5. Kelford School

There was a discussion regarding the fire safety door.

The committee thanked EH for her efforts.

[EH left the meeting at 18:09].

5.4. September Budget Monitoring Report

EH
02/03/20

SB asked for clarity regarding Pennine View at report item 3.2 Cash flow and CFO provided an explanation.

NJ asked if the focus should be on the consolidated balance sheet when the Trust operates as one bank account only and CFO agreed but each academy would continue to do their budget reporting.

SB queried the statement at 4.3 "both the ESFA and the LA is not recognised as a 'Current Asset – Debtor'" and CFO provided an explanation.

SB asked what the plan is regarding uncommitted reserves and CEO explained a significant proportion belongs to Abbey School and there would need to be a discussion with the TBoD regarding investment strategy. **SS queried the wording at 5.1.** and CFO clarified CEO would make a recommendation to TBoD.

There was a discussion regarding contingent risk liability and SB commented this would form part of the Finance Risk Register.

CFO summarised the various reports tabled which had been shared with the committee in advance of the meeting with discussion/challenge as follows:

a. September Consolidated Monitoring

SS asked if the high level review was as 'expected' and CFO explained there had been a more rigorous budget setting process and outlined the variances (over 1% of predicted income outturn).

NJ queried if the resources for the Variance to Original budget for Predicted 19/20 Outturn Position had been factored in and CFO advised they had been.

SS asked if % in red highlight Outturn v Actuals is good or bad and CFO provided a detailed explanation about this and why she would like to see this removed from future reporting. CFO would prefer to focus on Variation to Original Budget. There was a unanimous vote for CFO to make a proposal to TBoD for Outturn v Actuals to be removed from finance reporting.

ACTION 1: CFO to submit a proposal to TBoD for Outturn v Actuals to be removed from finance reporting.

SS asked about Consolidated cash in bank at month end and if 'school fund' should be included and CFO explained as we are a registered company with charitable status, we account on that basis, which means that all funds, be they revenue, capital or school fund belong to Nexus and as such are subject to the same level of auditing and are therefore also included in our financial statements as our asset and in order to give the full picture should be recorded and reported on.

CEO asked if the 'ring fenced' amount of £143k should be included in the narrative of the Nexus Monthly Budget Monitoring report and CFO explained

**CFO
27/11/19**

the ‘ring fenced’ funds were being used for the free schools until grant funding is received.

SS & SB asked why the predicted outturn reserves as a percentage of total predicted 19/20 equity outturn is high and CFO explained this is because the percentage is now based on our predicted outturn position as at 31/08/20 which, is dramatically higher than our predicted outturn position as at 31/08/19.

SS asked if the consolidated cash in bank at month end figure was before payments had been made and CFO advised it was after.

b. Cash Flow Forecast

CFO advised the Cash Flow Forecast is a new report tabled and explained the figures will get closer aligned as this is over a rolling 12 month forecast.

SS asked when the new schools would be added in and CFO advised as and when they join.

NJ queried ‘Other’ on Abbey’s Cash Flow and CFO advised it was staged payments towards the road.

NJ asked if the new students were included in Hilltop Cash Flow and CFO believed they had been included.

NJ queried a lack of pay in February 2020 in Kelford Cash Flow and CFO advised this was an error.

ACTION 2: CFO to amend Cash Flow Forecast accordingly and distribute on GH.

**CFO
27/11/19**

c. Balance Sheets

The Balance Sheets had been shared with the committee in advance of the meeting and CFO provided a summary explaining there is a problem regarding ‘stock’ and this is a programming problem with HCSS system. **SS therefore asked if presenting the Balance Sheets to TBoD would be considered helpful?** and CFO reminded SS of the content of Lord Agnew’s letter.

SB commented on the benefit of presenting Balance Sheets for each academy because each is not a separate entity?

NJ expressed concern regarding Directors’ understanding of the balance sheet and there was a discussion amongst the committee regarding; the need for the programming of the HCSS system to be addressed firstly, for charity accounting principles to be adopted and then focus on a Consolidated Balance Sheet only not one per school. It was agreed CFO should then provide a Balance Sheet Glossary.

ACTION 3: CFO to provide Directors with a Balance Sheet Glossary.

**CFO
ONGOING**

5.5. Strategic Asset Management Review

<p>CEO advised the report had been shared for information only and findings would be tabled at the meeting on 02/03/20.</p> <p>SB asked of the cost and CEO provided this.</p> <p>SS highlighted the typo of 'Statutory' under Health and Safety.</p>	
<p>6. ANY OTHER URGENT BUSINESS</p>	
<p>6.1. To consider any other urgent business agreed by the chair</p> <p>6.1.1. Letter from Lord Agnew The committee acknowledged receipt of Lord Agnew’s letter and the content therein.</p> <p>6.1.2. Flood Damage to Schools CEO advised the committee of the flood damage caused to the Caretaker’s property at Abbey School.</p> <p>All of the special academies had been closed early in the interests of pupils due to home/school transportation on the Thursday and closed all day on the Friday.</p> <p>6.1.3. School Burglaries CEO shared with the committee details regarding the break in’s at Kelford School, following early closure due to the floods and the following day also. CEO had asked the Headteacher to explore installation of shutters but this is costly. SS suggested having the replacement glass laminated.</p> <p>CEO shared with the committee details regarding a recent break in at Abbey School. JK made suggestions to CFO regarding banking and security.</p>	
<p>7. CONFIDENTIALITY & RISK</p>	
<p>7.1. To consider the confidentiality of any items discussed during the meeting</p> <p>No items were deemed to be confidential.</p>	
<p>7.2. To consider any area new risks identified during the meeting</p> <p>Risks identified will be discussed at the next meeting.</p>	
<p>8. DATES OF NEXT MEETINGS</p>	

Wednesday 4 th December	17:00 – 19:00	Kimberworth CC	Hart Shaw
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	Crags Community School	Leadership Summit
Tuesday 21 st July 2020	17:00 – 19:30	Nexus HQ	Audit & Risk

Minutes approved

CHAIR	SIGNATURE	DATE
SUE SHELLEY		