



Audit & Finance Committee Meeting
Focus: Audit & Risk
19th November 2018 at 17:15 – 19:30
Nexus HQ

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

1. WELCOME & APOLOGIES FOR ABSENCE		
1.1	To receive apologies for absence NJ	
1.2	To accept apologies for absence Apologies accepted from NJ	
2. ITEMS OF URGENT BUSINESS		
2.1	Chair to determine any items of urgent business to be considered <ul style="list-style-type: none"> • Hilltop budget • Update on Crags 	
3. DECLARATION OF INTERESTS		
3.1	Individual Directors to declare any personal, business or other governance interests on any item on the agenda RP is vice chair of Hilltop LGB	
4. TRUST BOARD OF DIRECTOR MINUTES		
4.1	To approve the minutes of the following meeting: Audit & Finance Committee meeting held on 1 st October 2018 The minutes were not approved or signed P3 – Typing error - Assurance framework not Insurance. Clerk to amend.	Completed
4.2	Review of Action Tracker The outstanding actions on the tracker were reviewed and updated	
4.3	Matters arising from the minutes P4 Discussion followed relating to variances - agreed for variances over 1% margin based on overall budget of a nominal and report this into Directors. P6 – 5.8 HCSS implementation the month end completed – how did it go? Teething problems due to different system. Business managers to go a step further and provide month end report. Procedure has been provided to help business managers. Generally going well. Agreed in terms of future reporting and minutes, anything to do with GDPR to be included under Information Governance. Discussed the confidential report. The work is not fully completed and there are some things that will have to be amended from 2016/17 to give us a closing balance for 2018/19. We do not need to have the figures qualified. There are certain criteria why you can qualify. We are able to amend the figures to draw a line under the figures for 2017/18. We wouldn't get a qualification due to lack of information. JK stated he understood about not having a qualification but queried are we saying there is a problem with the accounts and is there a financial value we are looking at?	

<p>CFO confirmed everything was included in the accounts but recorded in the incorrect place. CEO gave examples.</p>	
<p>5. ITEMS TO BE CONSIDERED</p>	
<p>5.1 High Level 12-month delivery plan</p> <p>All have read the delivery plan.</p> <p>Does the big black square mean it has been completed? Confirmed if it is in black it has been completed A discussion followed relating to H&S of estates and the risks sitting with Nexus. Is CT600 likely to be 0 return? CFO confirmed yes it would be a 0 return.</p>	
<p>5.2 Management Accounts – Virtual Q&A</p> <p>Management accounts would normally have been included in the pack but due to first month of reporting from the new system there is a number of gremlins in the system. It has been agreed not to send the information out until it is correct.</p> <p>A</p> <p>CFO presented information via laptop of the consolidated budget monitoring sheet. The business managers are transferring information from the old system to the new. Abbey have capacity issues so the information has not been fully transferred. Did the staff not do all of the work before it went live? CFO confirmed all schools did with the exception of Abbey as they have less business resource employed than other schools. Does that mean we have a point of failure? CEO stated we have agreed that the accounts will be circulated to directors at the end of every month. How far behind are Abbey and when will it be completed? CFO confirmed there are some IT issues in addition to the work transferring the information and the work should be completed by the end of the week. PV have put in a different budget than what was agreed and CFO is following this up with the business manager there. Hilltop – no information has been input due to absence of key staff. CFO is chasing schools and advising them what they should be inputting. A discussion followed relating to training and understanding of the system by School Business Managers and Headteachers and that they should be working together. Concerns were raised that schools have different systems and all business managers need to use the new system. CEO stated there are questions we need to ask regarding budgets being set in May as we do not have the final budget figures until July and should we set the budget later. A discussion followed about the variation on budgets relating to individual children’s needs and how it can change.</p> <p>Have we seen the actual figures for the end of the school year? CFO – we are just waiting for this from Hartshaws. Can you give us a bottom line of where the company is? CEO - no but we are liquid and can pay our responsibilities.</p>	

<p>Are we looking at a date when we can say as from this date we can say that by the end of the year the issues will be resolved and we have a greater level of comfort? CEO confirmed we are hoping by midweek next week the information will be available. We will have the additional resource in place by March when they will be able to work with business managers and it will be Easter before systems are in place. A discussion followed relating to setting an end date when the expectation is that the system is running at 100% accurate or as near as possible. We have a meeting on the 12thDecember to assess the audited accounts, when will the accounts be available? CFO confirmed the information will be available on the 5th December. ACTION – CFO to provide A&F committee with Audited Accounts report</p>	<p>CFO 05/12/18</p>
<p>5.3 Trust Risk Register</p> <p>CEO asked for observations and comments about how it works.</p> <p>A lengthy discussion followed relating to the document and questions about if it should be a dynamic document showing background information relating to changes and should this be presented at all meetings or just by exception with the risks shown as red items being discussed.</p> <p>CEO stated there is a value in having a risk register for the external audience to see and for school's track and monitor risks. These should be high level risks on the Trust register. A discussion followed relating to accurately recording the direction of travel of risks and if the model is right. ACTION – SS and RP to look at the model of Risk Register and look at an alternative way to do this.</p> <p>A discussion followed relating to the ownership of the Risk Register and should it be A&F and Standards committee responsibility to oversee the management of the risks. CEO state it is all director's responsibility to look at the register.</p> <p>JK gave examples of his experience from other Audit & Risk committees and ownership of risks.</p> <p>SS stated that perhaps a discussion needs to be had with other directors about who owns the risk. ACTION – SS to draft an email to other directors about how they can feed in to the risk register and how we use it.</p> <p>A discussion followed about the understanding of the responsibility of risk. CEO – how do organisations who manage risk on a daily basis deal with risks? It should be embedded in normal daily process and procedures to manage risk. How does it work and how does it give people assurances?</p>	<p>SS/RP 04/03/18</p> <p>SS 04/03/18</p>
<p>5.4 Willis Towers Watson Risk Register for Abbey School – review of progress</p> <p>It appears a few deadlines have been missed.</p>	

<p>CEO confirmed this has not been update and there is a need for additional resources to assist with this. SS stated they talk about the 4 day IOSH course, I am not sure they are the competent person. CEO confirmed no they would not be the competent person. We have an external person who is the competent person. 3 of the red actions have missed the deadlines, can we get an update from the Headteacher? CEO stated he will ask that the report is updated as soon as possible and made available for the next meeting. ACTION – CEO to follow up</p>	<p>CEO 04/03/19</p>
<p>5.5 Abbey School Health & Safety report provided to LGB in October 2018</p> <p>A discussion followed about the report and questioned if the report needed to be presented at the A&F meeting. CEO confirmed these reports are presented to LGB’s. All agreed there is no need for these reports to come to future A&F meetings. A discussion followed about flu vaccinations in school. JK asked if schools have CCTV? CEO confirmed we have it on the outsides of school buildings. It is different with each school and we need to look at consistency across the schools.</p>	
<p>5.6 Pennine View Health & Safety Report from RMBC ‘Competent Person’</p> <p>Discussed the content of the report. All agreed the report shows PV in a positive light CEO stated the amber report is inaccurate and there is a question about why this wasn’t discussed with the business manager who should explain this isn’t the model we follow. SS queried about lockdown security. CEO explained what Lockdown is and that PV is in the process of doing a live trial following operational procedures.</p> <p>A discussion followed relating to the Competent Person and the process for getting the reports. CEO confirmed these are scheduled into the 12-month plan and each school is having one completed. There is a need to commission a service as part of asset management which would include a Competent Person.</p>	
<p>5.7 Internal Audit Action Plan – update from CFO</p> <p>A discussion followed relating to the background colours and numbering on the report. ACTION – CFO to renumber action plan and include E and I for External and Internal and date of testing.</p> <p>Questions were raised about testing and if this will this be a one off test or systematic? CFO confirmed it will only need to be retested once and they will be revisited in the future A discussion followed around are we asking the auditors the correct questions and do we need to re-look at the audit schedule.</p>	<p>CFO 04/03/19</p>

<p>ACTION – CFO to look at the audit schedule to see if it needs updating. CFO explained what is planned for the future and signing off account information. Safety nets are being put in place.</p> <p>CEO stated that once we have capacity we need the CFO to meet with Heads on a regular basis so they have an understanding of issues and risks. Do we need to look at business continuity and the reliance on one business manager in schools? CFO confirmed that a pack of procedures is being provided to schools so there are no issues when the SBM is not in school.</p>	<p>CFO 04/03/19</p>
<p>5.8 Charges & Remission Policy Update</p> <p>Discussion followed relating to the updated policy with a number of queries.</p> <p>3.1.4 query relating to optional charges, is this confusing for parents? CEO confirmed this is based on a DfE policy How often we do charge? CEO stated that schools rarely charge with the exception of school trips.</p> <p>ACTION – CEO to check the statutory guidance and the accuracy of the highlighted text in the policy Charges & Remission Policy Update.</p>	<p>CEO 14/01/19</p>
<p>5.9 Capital threshold increase £500 to £1000</p> <p>CFO gave background information to the rationale about the request to increase Capital threshold and informed the group that Hartshaws have agreed there is a need.</p> <p>All Approved</p> <p>ACTION – CFO to update the policy</p>	<p>CFO 14/01/19</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 Hilltop Budget The Headteacher has been instructed to re-profile the budget to start the 2018/19 as zero budget and to realign budget to show 150k surplus at the end of the year. CFO stated we are waiting for the year end figure from Hartshaws. Questions asked about if this was going to affect staffing? CEO confirmed that possibly it may affect staffing but there is a number of support staff and a number of high level staff who have left and may be replaced with lower paid staff.</p> <p>6.1.2 Craggs Update CEO informed the group that there has been a further delay regarding Craggs joining Nexus MAT. The conversion date is now 1st February 2019. The delay in part is due to RMBC putting in 2 clauses re PFI contract. It has now been agreed to take them out.</p>	

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 No new risks identified during the meeting.	
8. DATES OF NEXT MEETINGS	
8.1 Future meeting dates: 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, Meadowhall Monday 1 st July 2019 at 17:00 – 19:30 – Nexus Headquarters	

Minutes approved

CHAIR	SIGNATURE	DATE
SUE SHELLEY		04/03/19