



Audit & Finance Committee Meeting
Monday 5th March 2018 at 17:00 – 19:30
Nexus HQ

ACTION POINTS SUMMARY SHEET
OUTSTANDING ACTIONS

Agenda Ref:	Actions	By & Target Date
4.2 20/11/17	Re Quality of LGB Finance Information. A discussion took place & action reframed. Member of A&F committee now to be involved in budget setting process at appropriate stage. 20/11/17 CFO to co-ordinate & invite SB or SS to all school budget setting meetings from Jan–Mar 2018 19/02/18 – Budget meetings not yet set, action to carry forward 05/03/18 – LGB L&M finance meetings taking place after Easter so budget setting meetings will be set after Easter. Important to have Director input into meetings to challenge financial decisions at the planning stage.	CFO 23/04/18
5.5 20/11/17	Abbey Health & Safety Risk Audit. Asbestos Registers how are these green when register not signed? Action for CEO to check with SBM why asbestos register not signed 05/03/18 – Assurance from Abbey School, that procedures are now being followed. Signature in question has been completed. Opportunity for CFO to set planned schedule of work for competent person to undertake compliance checks in schools	CFO 23/04/18
5.5 20/11/17	Abbey Health & Safety Risk Audit. School showers & Legionella risk discussed. CEO to check with school re showers. Also Electricity & fixed wiring issue to be addressed. 05/03/18 – All remedial work completed. Question re current use of showers, & plan of regular maintenance in place? CEO to obtain a more details & bring back to next meeting	CEO 23/04/18
5.5 20/11/17	Abbey Health & Safety Risk Audit. Action plan required from report, needs to be compared against LA reports and actions undertaken recorded and brought back to next committee meeting. CEO to speak to Headteacher 05/03/18 – School obtained certificate. Action plan to be printed & brought to next meeting	CEO 23/04/18

4.3 05/03/18	Gender Pay Gap Document for Publication Clerk to review / redesign application form	CLERK 23/04/18
5.1.1 05/03/18	GDPR Update - IB was requested to circulate & share ELT updates with Directors on a regular basis	IB 23/04/18
5.1.2 05/03/18	Agreed for IB to circulate his work plan for year	IB 23/04/18
5.4 05/03/18	Internal Audit - CFO to ascertain levels of cash held at each school and review security arrangements.	CFO 23/04/18
5.6 05/03/18	HCSS value for money assessment - It was agreed that the CEO would put the questions to the CFO who would respond via email to Directors. If Directors are happy with the responses received it is requested that that purchase be approved so that work can start with regard to installation so that staff are able to get to know the system in the summer term and for it to be live from 1st September. Directors agreed to this proposal.	CFO 23/04/18
5.7 05/03/18	Write offs and Disposals - Directors requested an updated report with narrative with regard to the disposal of the larger items	CFO 23/04/18

COMPLETED ACTIONS

Agenda Ref:	Actions	By & Target Date
2.1.2 24/05/17	General Data Protection Regulations 2018 - Audit of use of personal devices in schools required 20/11/17 – IB to undertake an audit regarding bring your own device policy statement. Governorhub now stops meeting papers being sent to personal email addresses but it was highlighted that documents could still be downloaded onto personal devices. IB to continue to investigate the risk 19/02/18 – IB contacting engineers to generate own device statistics. Issue to be added to risk register 05/03/18 Bring device policy is nil unless approved by IT Lead extreme circumstances. Recent check found two personal devices in use. Both identified & matters resolved. Manual weekly & monthly checks now undertaken that will strengthen Nexus GDPR status	Completed
4.4 05/03/18	Anti-Fraud, Corruption and Bribery Policy CEO to share with Headteachers so that the policy can be highlighted in their staff briefings & implemented.	Completed
4.4 05/03/18	Anti-Fraud, Corruption and Bribery Policy CEO would make the agreed amendments prior to the Clerk publishing the document	Completed
5.1 24/05/17	Internal Audit Report - Revised and updated financial procedure manual to be developed to respond to audit points regarding consistency. 20/11/17 – Will be on job description of new Deputy Finance Officer 29/02/18 Part of DCFO work plan. 05/03/18 Will be presented to A&F committee at next meeting 23/04/18 – on agenda item 5.3	Completed
4.2 20/11/17	Disaster procedures at MAT level. 20/11/17 Agreed to review disaster procedures for Nexus premises 05/03/18 – Not in place at present. Is this a business continuity plan or an emergency response plan? Felt it is an emergency response plan in case of a major disaster/loss of data at the new Nexus HQ. After discussion agreed for CEO/CFO to develop a combined plan & bring to next meeting. 23/04/18 – on agenda item 5.5	Completed
5.3 05/03/18	High Level 12-month delivery plan - Information just received from DfE about an additional return that is now required, so that will also be needed to be added to the plan 23/04/18 – on agenda item 5.2	Completed
5.4 05/03/18	Internal Audit - The plan for the June Internal Audit will be received at the next meeting. 23/04/18 – on agenda item 5.3	Completed
5.5 05/03/18	External Audit Action Plan - The external audit action plan was not received and will be presented at the next meeting. 23/04/18 – on agenda item 5.4	Completed



Audit & Finance Committee Meeting
Monday 5th March 2018 at 17:00 – 19:30
Nexus HQ

Attendees:

Alan Meloy	Director	AM
Steve Booth	Director	SB
Sue Shelley	Director	SS
Warren Carratt	CEO Nexus MAT	CEO

Also Present:

Clare Southwell	Clerk	CS
Ian Burns	Trust ICT Lead	IB
James Kelly	Advisor to Committee attendance via phone link	JK

Apologies:

Tracey Brooke	CFO Nexus MAT	CFO
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1. APOLOGIES FOR ABSENCE	Actions
1.1 To accept apologies for absence Apologies had been received from the CFO, absent due to sickness	
1.2 To receive apologies for absence Apologies received and accepted	
2. ITEMS OF URGENT BUSINESS	
2.1 Chair to determine any items of urgent business to be considered The follow items were raised & discussed immediately 2.1.1 Naveen Judah will be joining the committee at the next meeting as an Advisor to the Committee 2.1.2 CFO appraisal review meeting set for Thursday 12 th April 2pm at Nexus HQ – CEO, AM, SB, CFO 2.1.3 SS & issues re accessing papers was discussed. CEO agreement to purchase a Nexus laptop for SS for use as a Director if SS continues to struggle. SS to feedback to CEO if issues persist. 2.1.4 Tender process for accountants – CFO to contact committee when tendering process is arranged	
3. DECLARATION OF INTERESTS	
3.1 Individual Governors to declare any personal, business or other governance interests on any item on the agenda There were no declarations of personal or business interest	
4. APPROVAL OF COMMITTEE MINUTES	
4.1 To approve the minutes of the Audit & Finance Committee meeting held on 20 th November 2017 Minutes approved and signed	
4.2 Matters arising from the Minutes Updated actions from the minutes were noted above	
4.3 Gender Pay Gap Document for Publication Draft report for publication circulated with agenda. SS had worked with the CFO on the document. It was acknowledged that Nexus do show a Gender Pay Gap but that the variety of contracts available allow employees to work in a flexible way. The report also shows that we “grow our own talent” i.e. a colleague who started as TA & now a member of SLT. Possible to produce case studies for future annual reports. Report shows an action plan SS proposed the redesign of application form to remove any biases prior to shortlisting. The situation was discussed along with good practice and the clear criteria agreed prior to shortlisting candidates. Clerk to review/ redesign application form It was felt that the communication of actions & move forward would take time & it will be beneficial to look at other reports that are published on 31 st March. Whilst	CLERK

<p>completing the document did it highlight processes that Nexus are doing incorrectly? No incorrect procedures or processes were found but as the data does indicate a pay gap we need to make sure that we dig down below results and investigate and not make presumptions. Suggestion to do spot checks on 10% of all candidates but this would require a high level of HR input into each application process. Figures show below the national average because of high level of female TAs. Need to have a further discussion & questions about the appeal of jobs offered to all, accessible work, those who want school time, local work and less hours for carers. We want to go further than being compliant, we need to understand our data.</p> <p>Report agreed recommended for publication. To be ratified by Trust Board. Action Plan & actions addressed will come to next meeting</p>	
<p>4.4 Anti-Fraud, Corruption and Bribery Policy Policy reviewed as gifts & hospitality not previously included. This is a trust wide policy that all schools will need to adhere to. Needs to be included as part of the staff induction process & as part of their code of conduct. CEO to share with Headteachers so that the policy can be highlighted in their staff briefings & implemented.</p> <p>A discussion took place with regard to references & the verification process</p> <p>Also suggested to remove the version date of the Academies Financial Handbook to ensure that the policy remains up to date</p> <p>It was agreed that the CEO would make the amendments prior to the Clerk publishing the document</p>	<p style="text-align: center;">CEO</p> <p style="text-align: center;">CEO/Clerk</p>
<p>5. ITEMS TO BE CONSIDERED</p>	
<p>5.1 ICT Strategy Update 5.1.1 GDPR Update Work progressing and now a clear picture of way forward, one-page document shows the issues & areas to be addressed. First discussed in December 2016, IB & CFO have attended courses & continue to work to ensure compliance. Checks & reviews undertaken in schools to look at compliance & areas of non-compliance have been highlighted. Compliance pack developed & circulated to all schools & IB working through compliance packs with IT leads in each school. Processor & controller training ongoing.</p> <p>Updates & terminology awareness is on all agendas at a variety of meetings across all schools.</p> <p>GDPR/Information Governance compliance pack developed.</p> <p>Data Assets framework is set or completion by April 2017, where are we with that? Still a large piece of work that is ongoing & includes a review of all personal information stored, on paper or electronically. Business Managers are processors. Review encourages people to think & understand where information is held, regular updates from schools are received on progress.</p>	

How have schools reacted to the work & increase workload? Initially mixed feelings but once legislation & responsibilities were explained & awareness raised, more positive approach & healthy challenge ongoing. GDPR uses a very corporate language, new area of work for all employees

Directors may not understand all the additional work that is having to take place to ensure compliance & Nexus is ready for May. Working groups with in Nexus & also working groups in school making sure that school is ready & will be compliant. Schools working together to share knowledge and processes. The Processor is the person who will sign off compliance so they need to be sure that all work in the school had been undertaken

GDPR has been a driver for areas of development & change. Headteachers hold responsibility for a wide range of areas for where they do not necessarily receive training i.e. H&S, HR, Procurement & Data Protection. GDPR has been a chance to open a dialogue in whole area of data protection & the deadline has enforced the learning & the addressing of issues. It is vitally important for us to be compliant as we are not a small business.

IB was requested to circulate & share ELT updates with Directors on a regular basis

IB

The engineer agreed site checklist had been circulated, does this need to show who, when & where? This is work than be done at any time during each week. ICT leads are encouraged to add comments or any issues or concerns found.

Recent system checks showed two incidents of personal devices being used in two different schools. The filter did block and work. Both issues investigated & devices removed from school networks, issues resolved & discussed with IT Leads. Reasons were explained & advise given with regard to future procedures.

IB is developing an engineer's skill matrix, this is shown on the Trust's High Level 12-month delivery plan. The matrix will assess level of engineer's skill to ascertain level of competency. This will inform engineers CPD & development.

5.1.2 E-Safety Update

IB will continue to review & then Tim Pinto will be brought in to carry out an external review. Schools have action plans & ESafety leads are working though so issues should be addressed & resolved. IB doing two checks per year on progress of action plans. First joint/shared meeting of new ESafety Group is planned for this week & the agenda was circulated. This group will encourage peer working, share good practice & open a wider platform for E Safety Leads. Directors invited to attended. The meeting will be a point for outside people to also give an input.

Are you all confident that all moving in right direction? There are no red areas but one weaker school is being supported. Headteacher is the accountable person. At the end of this term the review will show progress & if required IB would raise issues with CEO to be addressed at a higher level.

IB

Agreed for IB to circulate his work plan for year

<p>5.2 Craggs Community School Due Diligence Process & Timeline</p> <p>CFO & IB currently undertaking formal due diligence. Is there a structured process? Directors felt they needed more awareness of the procedures and process of due diligence as they were not able to answer the questions recently received from DfE. CEO explained that conversion is a different process to a sponsored school and it is important to build a partnership. Due diligence has been ongoing over a longer time but has been a softer process. Following the response to the DfE questions the DfE have given approval prior to the formal due diligence process being completed. Due diligence consists of open & transparent conversations & meetings</p> <p>Craggs will have a 5% budget reduction on conversion as their payment to Nexus for their Partnership Contribution. All Nexus policies & management accounts are online so Craggs undertook a lot of their due diligence as a very early stage. Commitment is not actually legal until the date of conversion but it is felt that the partnership will be very positive and that there will be benefits for both sides of the partnership.</p> <p>Conversion for Pennine View took a different route. A possible map/plan of due diligence was discussed, when it takes place, what does it look like, & it was felt that no two conversions would be the same. Directors felt that Nexus need to have a documented process so we know where we are. The DfE have changed the process and the approval of the Head Teacher Board now happens prior to the due diligence process taking place at the Trust. The responses to DfE questions was completed together with David McNaught at Craggs.</p> <p>It was felt that this was a bigger issue so it was agreed that the discussion should continue at Board level</p>	
<p>5.3 High Level 12-month delivery plan</p> <p>The document had been circulated with the agenda. It was noted that the procurement and conversion from FMS to HCSS the new financial management system was not on plan & it was felt that this should also be included on IB's work plan</p> <p>Information just received from DfE about an additional return that is now required, so that will also be needed to be added to the plan</p>	<p>CFO</p>
<p>5.4 Internal Audit – February audit findings from BHP and plan for June Audit</p> <p>The action plan from Autumn 2017 internal audit along with the findings from the Spring 2018 audit carried out in February 2018 had been circulated with the agenda.</p> <p>It was noted that at Kelford School the Business Manager was absent on the day of the audit so it did leave some questions that were unable to be answered on the day. Directors were pleased with the findings & the action plans to address the issues raised. It was noted that there were some issues highlighted in 2017 that have been highlighted again in the Spring audit. Why have these issues still not been addressed? The issue of the petty cash not being balanced and the levels of petty cash in school were discussed in detail. Directors felt that this is an area of risk and requested that the CFO ascertains levels of cash held at each school and reviews security arrangements</p> <p>The plan for the June Internal Audit will be received at the next meeting</p>	<p>CFO</p> <p>CFO</p>

<p>5.5 External audit action plan The external audit action plan was not received and will be presented at the next meeting</p>	<p>CFO</p>
<p>5.6 HCSS value for money assessment HCSS is the proposed new financial management system to be used Trust wide. It is cloud based and so is more accessible to users and central staff than the current FMS system. Where is our data kept, is it a British cloud?</p> <p>Are similar organisations already on board & using HCSS? Do we want answers before approval?</p> <p>The CEO reported that no contracts had been signed yet. HCSS is a recognised provider by DfE and as well as accessibility the new system will provide more detailed and relevant reports and information</p> <p>Quotations current and proposed costs were shown on Annex A. It was noted that there was only a slight difference of cost but a major difference in the quality of the program. The length of the support package was questioned. It is known to already be used by other academies so it would be suitable for use with accountants and auditors. The Trust will soon be retendering for Audit services so this can be confirmed at that time. Cost have been factored into the current budgets</p> <p>Annex B gave details of the benefits, the different levels of security & access. It was not thought that it would be suitable for Directors & Governors to have access but it was agreed that the upgraded system would be beneficial for Business Managers and Nexus staff. A Director had investigated the background of the company and found it to be a sizeable company with good comprehensive information & links on line</p> <p>It was agreed that the CEO would put the questions to the CFO who would respond via email to Directors. If Directors are happy with the responses received it is requested that that purchase be approved so that work can start with regard to installation so that staff are able to get to know the system in the summer term and for it to be live from 1st September. Directors agreed to this proposal.</p>	<p>CEO</p>
<p>5.7 Write offs and Disposals It was noted that the report circulated was the same as the one circulated at the previous meeting. A written report had also been received from Kelford School</p> <p>Directors questioned the system and why Kelford’s was hand written and not downloaded from the assets register?</p> <p>The dinner money debt & overpayment of maternity leave were still of concern, why is this not being reclaimed via legal procedures? The CEO explained that the CFO had made investigations with regard to the maternity payments and that the matter had been resolved, as per discussion at the last A&F meeting</p> <p>Directors requested an updated report with narrative with regard to the disposal of the larger items since the last report was submitted (as this report is a duplicate).</p>	<p>CFO</p>

<p>5.7. Review of Risk Register A detailed discussion took place. It was felt that the document is becoming too big to manage and as it is always at the end of the agenda there is not enough time being dedicated to the review that is required. Questions asked were: What are the key risks? Is everything still valid? There are 7 risks in Governance, 10 risks in Operational, 15 risks in Finance, 3 risks in Environmental & 4 risks in Legal & Regulation. Is there too much detail in area of mitigation? Does the register need to show progress? The Risk Register are risks that are possible & need to be assessed responded to before an event happens. The Issues Log are the reality. Who is looking & at it and reviewing & updating? Should it show direction of travel on each issue?</p> <p>It was agreed that the committee had been delegated to be responsible for the Risk Register. It was therefore agreed that an additional meeting would be convened to concentrate on these two items so that they could be review & analysed in detail. The committee needs to provide purposeful information to the board so they can challenge CEO & CFO. Broader business also needs to address the risks not just the committee</p>	
<p>5.8. Review of Issues Log This item was dealt with at item 5.7 on this agenda</p>	
<p>6. ANY OTHER URGENT BUSINESS</p>	
<p>6.1 To consider any other urgent business agreed by the Chair There were no items of urgent business</p>	
<p>7. CONFIDENTIALITY & RISK</p>	
<p>7.1 To consider the confidentiality of any items discussed during the meeting There were no confidential items</p>	
<p>7.2 To consider any areas of risk discussed during the meeting Petty Cash in schools</p>	
<p>8. DATES OF NEXT MEETINGS</p>	
<p>8.1 Dates of meetings for 2017/2018 Due to the level of work delegated to the committee an additional meeting was arranged and consideration of a further meeting in June was also noted</p> <ul style="list-style-type: none"> • Monday 23rd April 2018 at 17:00 – 19:30 at Nexus HQ • Wednesday 18th July 2018 at 17:00 – 19:30 at Nexus HQ 	

Minutes approved

CHAIR	SIGNATURE	DATE
SUE SHELLEY		23/04/2018