



Audit & Risk Committee Meeting
Focus: Finance & ICT
Monday 1st February 2021 at 17:00 – 19:30
via MS Teams

Those Present:		
Sue Shelley	Nexus MAT Director – Chair	SS
Steve Booth	Nexus MAT Director	SB
Ian Burns	Strategic ICT & Information Governance Lead	IB
Warren Carratt	Nexus MAT CEO	CEO
Naveen Judah	Nexus MAT Director	NJ
James Kelly	Advisor to Committee (attendance via telephone link)	JK
Ray Palmer	Nexus MAT Director	RPa
Rachel Potts	Nexus MAT Director	RP
Cath Sands	Nexus MAT CFO	CFO
Maria Simpson	Nexus MAT Governance & HR Support Officer	MS
Apologies:		
No Apologies:		

1. WELCOME & APOLOGIES FOR ABSENCE	
1.1. To receive apologies for absence No apologies were received.	
1.2. To accept apologies for absence No apologies were accepted.	
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 to consider.	
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.	
4. AUDIT & FINANCE COMMITTEE MEETING MINUTES	
4.1. To approve the minutes of the following meeting: The minutes of the Audit & Risk Committee meeting held on 16 th November 2020 were reviewed and approved.	
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	
5.1. Free School ICT Procurement IB summarised the Free School ICT Procurement. At Bader all Phase One equipment has now been purchased and installed with provisions to plan for Phase Two. IB reported good news on Discovery – work has started to plan around the project plan for ICT. This is a real positive note moving forward.	
5.2. ICT Information Governance and Strategic Update IB presented the ICT Information Governance & Strategy Update document, which was reviewed and challenge/discussion was as follows: RP asked if it is right that there is a mix of systems across the schools. IB explained that all schools have various Sims from Capita, now some schools have moved onto Bromcom. RP asked if there was a plan in place all schools onto the same system. IB reported that there is a broad range of benefits with Bromcom as it offers more functionality. 5 academies currently remain on Sims and 3 have shown a keen interest to move across to Bromcom but will wait until next year due to notice periods.	

The Chair asked about the Bromcom MAT Vision X and if this an upgrade on Bromcom. IB explained that Bromcom MAT Vision X allows a spotlight view where information is gathered so that a full audit of inputted data can be produced. Moving forward all schools can be interrelated. IB stated that if anyone did want to see a demonstration then to contact him directly.

SB asked if any crossover with between Bromcom and HCSS. IB – said no, but that Bromcom have been established a long time and do offer a robust financial management that could give financial planning for academies which does include a payments system. IB would highly recommend this to be explored as a possible new system

SB asked if this of interest to the CFO. IB to put CFO in contact with the Project Manager.

RP asked about formal Data Protection training for all new staff, is there any risk for new staff not having the training. IB explained that to ensure that continued support is available for any new colleagues, over the last few months training has continued to be in place to offer support for any new colleagues. This will cultivated into a more formal training to move this forward.

The Chair asked about the expansion of Cloud Backup services and final technical implementation due to be completed in January 2021. What level of extra security or mitigation is in place? IB explained the benefits the Cloud based backup would provide for schools, especially not having the maintenance of the backup tapes.

NJ asked if a backup system was in place from Cloud what would happen if the company were to go bankrupt, what reassurances would be in place? IB provided full details with reassurance that a hybrid would be offered as an alternative store as a local backup.

RPa asked if not all schools were to move onto a Cloud system, why and what is the timescales? IB explained there is currently 2 types of school who decided not to move to Cloud. Some did not see the benefit now or those that would not have the financial back up to support this.

The Chair asked are the academies aware of the risk about losing data, and also reputational damage with any loss of data. IB explained that recommendations are made to recognise the benefits of any back up instead of tapes. CEO commented that the HT is the information controller. The model is this is determined locally as delegated budget which is outside of the top slice. The reality is the cloud provision is more efficient but tapes are acceptable, and therefore it can remain a local decision.

RP welcomed the 2 areas of development - Customer Service Standards Framework and also the Intranet. We can look forward to which can be evolved to become part of the workflow.

SB asked about intranet can this be explained further. IB shared the information with the meeting.

SB asked about the impact of online learning, interested to see the outcomes. IB can provide this in the next report as a summary for future learning. CEO highlighted a

<p>more detailed discussion will be included in Standards Committee meeting. ACTION: CEO to provide details of the report.</p> <p>The Chair asked about virtual learning and the challenges around this. IB explained the DfE resources available</p> <p>The Chair asked if anyone has any concerns with e-safety around the schools. CEO reported our e-safety leads have put a lot of e-safety settings in place at home around social media, sexting, snap chat which have been in place for a long time where we have very low numbers reported. The biggest concern is that some families don't ensure children are routinely accessing online learning, despite the request from school. It was reported some laptops currently had not been collected at Crags.</p> <p>The Chair asked in terms of information governance 'Nothing to report' is there anything happening that should be in place. IB assured the committee that this is covered in other sections as not as a specific item. The Chair asked about the Apple kits i. IB reported there has been a delay, nationally, of around 5 months for iPads etc. These have now been received and due to be fitted during half-term.</p> <p>All directors noted this was a very comprehensive report, thanks were given to IB. [IB left the meeting at 17.55].</p>	<p>CEO 08/03/21</p>
<p>5.3. High Level 12-month Delivery Plan</p> <p>The CFO provided an update regarding the High Level 12-month Delivery Plan.</p> <p>CFO explained in January at the AGM that the reports were now completed.</p> <p>Health & Safety Audit – Pennine View did go ahead and Kelford is to be re-scheduled.</p> <p>The following actions for Feb and March are on track to be completed on time. All other reports on track and submitted on time to the DfE.</p> <p>CFO reported that the internal audit contract has started with the new internal auditor BHP.</p> <p>RP asked on the internal audit what areas are the auditors to look at time. CFO reported that looking at income and banking to ensure that we receive the income that is due to us a special school, in line with the work plan agreed by the committee in the autumn</p>	
<p>5.4. Trust Budget Monitoring Report (Nov 2020)</p> <p>The CFO summarised the various reports tabled, which had been shared with the committee in advance of the meeting with discussion/challenge as follows:</p> <p>SB asked for confirmation if the reports were November, Period 3</p> <p>CFO confirmed it is the November reports.</p> <p>SS highlighted a typo in the report – Financial Risk & Mitigation should be noted as 5.2 not 5.5. A discussion took place to update the meeting in relation to the general variants.</p>	

Hilltop cash flow position – CFO explained this is due to the money owed from RMBC. Since the report, RMBC have confirmed that they have agreed the amount and the money is due to be paid this week. NJ highlighted this was good to have received confirmation of the payment to be made.

RPa asked if, with the lockdown, what would the normal cost be for supply staff, and is this different across the board. CFO explained the position at Hilltop. CEO noted this is due to supply staff being in school to keep bubbles open. A discussion had taken place with DB to close some bubble as the parameters are tight and we cannot carry on with high supply costs. DB had highlighted this and at an LGB meeting and has had a subsequent meeting with the CFO, and the request of the CEO

RP observed that Craggs are looking to achieve a balanced budget. Is there a deadline in place? CEO explained this is expected to be clearer from April.

5.5. External Audit Management Letter

The CEO and CFO summarised the details of the External Audit Management Letter, which had been shared with the committee in advance of the meeting with discussion/challenge as follows:

CEO reported that at various points of the year when schools have joined Nexus which impacts on the types of recommendations. The finance & compliance officer function is still a relatively new concept. The academy with most recommendations is Becton, with changes to the F&C Officer role there contributing to some of the issues identified. CEO reported he had written to HTs with a recommendation that staff to make sure that practice does improve locally. The response is very positive from the viewpoint that HTs are to realign with the Trust, reporting there is certainly no unwillingness to perform within these expectations.

RP asked if this is will be followed up with individual HTs as part of their 1:1. CEO reported now we have a measure by which we can determine if the HT has met the requirements, the discussion will feature at the mid-year appraisal.

The next step is for HTs to meet with the CFO where necessary. The work of the F&C Officers provides a clear view of what happens locally in schools. .

RP commented that the F&C Officer role is vital, also with the support provided from the CFO but there is a need to be clear about where accountability is within the Trust. NJ commented on the audit letters on the adjustments necessary that need to be made on the accountancy figures, as the main areas have already been addressed by the CFO and continue to be scrutinised by the F&C Officers.

The Chair commended the CFO for her work.

The Chair commented on the need still to explain accruals within the school finance teams is of some concern. CFO explained that the F&C Officers would continue to work closely with the School Business Managers so that they realise the nature of the work and the impact it has.

<p>JK highlighted that from a different viewpoint that this is a reflective on how audits are approached by firms in terms of trying to improve the standards with a defined focus around audit. The Chair noted that this is something we all need to be aware of in the work that is undertaken. Over the last 12-18 months with the checks and structures that are now in place, we as a Trust are able to catch anything early and understand why, if anything is going wrong. The direction of travel and how far the Trust has come is very encouraging.</p>	
<p>5.6. Audit Tracker</p> <p>Internal Audit – CFO talked through the tracker and timeline. This report shows the items have been tested and satisfied which are working.</p> <p>External Audits – highlighted the items still to be tested will therefore continue to be monitored.</p> <p>RP commented on the amount of testing that has been carried out which is positive, especially given how schools are happy with the new ways of working and the policies & procedures in place. The role of the F&C Officers are working towards targets which is crucial, it is important that gaps/issues do not re-appear. CFO noted that the F&C Officer will go into school to address any issues such as petty cash over £20. A form has been introduced to maintain good practice with the correct paperwork in place. To be checked over the last quarter ledger, which will filter any payments as an internal audit before the internal audit commences so that recommendations can be put in place and give chance to intervene early where necessary at the school.</p> <p>NJ asked when the accounts were to be finalised there was an issue about the transfer of leasehold land and building, is there a new re-evaluation to happen this year. CFO explained that the valuations were gathered from local authorities from which the schools came and the PFI valuation for Craggs and asked if further valuations were required. The auditors confirmed this was not a good use of public funds and were happy with the valuations in place; therefore, the Trust has not paid for more valuations. As a routine, the DfE will do their own valuations and are due out any time now.</p> <p>JK queried the quotation procedure. CFO explained the procedure for any quotes under £5000. The capital threshold has been moved up to £2000, schools need 2 quotes if a purchase is made over £2000 and 3 quote for anything over £5000 where the CEO will need to authorise. The F&C Officers will run a list quarterly to police this.</p>	
<p>5.7. Write-Offs</p> <p>CFO explained the write-offs received from Pennine View where schools have tried to recover the debt of dinner monies outstanding that have been unable to recover for whatever reason.</p>	

<p>NJ asked if there should be a limit especially with the small items brought to the committee. The Chair noted this was a reasonable point.</p> <p>CFO highlighted that the Write off and Disposal policy where the disposals if they have no value would naturally go to waste but the write offs of any money would come to the board. CFO suggested she was happy to amend the policy to put a new threshold forward. A discussion took place around outstanding dinner money debts.</p> <p>JK agreed with the comments made from other directors.</p> <p>CEO suggested the committee approve the write offs today, with a suggestion for the Write Offs and Disposal policy to be updated in time for the next TBoD meeting due at the end of February. This was agreed.</p> <p>ACTION: CFO to review and amend Write Offs and Disposal policy.</p> <p>The Write Offs noted at this meeting were all agreed.</p>	<p>CFO 08/03/21</p>
<p>5.8. External Audit Procurement Timeline</p> <p>CFO explained that similar to the internal audit tender timeline, a tender notice is to go out on 10th February 2021. CFO asked if any committee members would be interested in being involved in the tendering process to look at the providers on the dates previously circulated. A discussion place around interest and availability.</p> <p>CEO suggested it would be more time efficient for directors if the CEO and CFO apply the shortlisting criteria then at the next meeting make recommendations to the committee for who the shortlisted providers should be, to be interviewed.</p> <p>Agreed by all directors. ACTION: Confirmation of shortlisted providers to be added to the agenda for the next meeting as the first item to be discussed.</p>	<p>CEO/CFO 08/03/21</p>
<p>6. ANY OTHER URGENT BUSINESS</p>	
<p>6.1. To consider any other urgent business agreed by the chair</p> <p>There were no items of urgent business to consider.</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>No new risks identified.</p>	
<p>8. DATES OF NEXT MEETINGS</p>	

Monday 8 th March 2021	17:00 – 19:30	MS Teams	Audit & Risk
Monday 10 th May 2021	17:00 – 19:30	Nexus HQ	Finance & ICT
Tuesday 29 th June 2021	16:00 – 19:00	Craggs Community	Leadership Summit

		School	
Monday 19 th July 2021	17:00 – 19:30	Nexus HQ	Audit & Risk

Minutes approved

CHAIR	SIGNATURE	DATE