



Audit & Finance Committee Meeting
Focus: Finance & ICT
14th January 2019 17:00 – 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	CFO Nexus MAT	CFO
James Kelly	Advisor to Committee attendance via phone link	JK
Ian Burns	Information Governance & ICT Lead	IB
Apologies:		
Naveen Judah	Advisor to Committee	NJ

1. WELCOME & APOLOGIES FOR ABSENCE	
1.1 To receive apologies for absence	
1.2 To accept apologies for absence Apologies accepted from	
2. ITEMS OF URGENT BUSINESS	
2.1 Chair to determine any items of urgent business to be considered • Craggs update	
3. DECLARATION OF INTERESTS	
3.1 Individual Directors to declare any personal, business or other governance interests on any item on the agenda	
4. TRUST BOARD OF DIRECTOR MINUTES	
4.1 To approve the minutes of the following meeting: Audit & Finance Committee meeting held on 19 th November 2018 The minutes were approved and signed 4.3 – change wording – should read variances over 1%. 5.2 – Paragraph starting with Hilltop should read has been Action – Clerk to amend Minutes approved with above changes.	Completed
4.2 Review of Action Tracker The outstanding actions on the tracker were reviewed and updated	
4.3 Matters arising from the minutes 5.5 - JK asked if action was needed relating to CCTV at Pennine View. IB confirmed that current equipment is approaching the end of its life and lease. There was a number of failure points resulting in de-commissioning of the equipment. A discussion followed relating to an incident where the school bus was stolen and that this was not due to lack of CCTV coverage. IB informed the group that CCTV is needed for the external for premises but not internally for students or staff. This is on the ICT development plan and when school can invest it will be replaced. ACTION – CEO to discuss budget situation with LB and SM with a view to procurement.	CEO 04/03/19
5. ITEMS TO BE CONSIDERED	
5.1 High Level 12-month delivery plan All have read the delivery plan and felt the diagram was clear. CFO gave information relating to the differences between forecast and outturns for the BFR.	

<p>The May budget will be forecasting until September then we will predict 3 years for schools. SS queried if we are confident to project for 3 years CFO confirmed projections are as good as they can be but due to variances in special schools it is difficult. RP asked if the meetings with school business managers is enough with the 3 monthly meetings? CFO stated they now meet every half term. CEO confirmed that the new compliance officers will be working in the schools as more dedicated time is needed in schools. The finance leads will attend the meetings. A discussion followed regarding agendas for the finance meetings. SB stated that from the plan in February and work with Headteacher and CFO will this be a more in-depth session? CFO confirmed it will be more detailed and that she wants to standardise the budgets so all schools provide the same information. A discussion followed relating to the differences with budgets and the reason behind the outturn information. SB stated that we tended to rely on what information we had been given when we have raised questions. I would ask how do we know. CEO informed the group that probably the budget setting will run from April and the arrow on the diagram will overlay the first and second draft as it is not helpful to set the budget early. CFO confirmed the LA does not send out budgets until April so we should wait until we have that. ACTION – CFO to look at the 12-month delivery plan and capture relevant activities including policy updates in September</p> <p>A discussion followed relating to process of capturing information for the Gender Pay Gap. The same format will be used as last year. SS and CFO to work together to collate the information.</p> <p>ACTION –Add Gender Pay Gap to agenda next meeting</p>	<p style="text-align: center;">CFO 04/03/19</p> <p style="text-align: center;">Clerk Completed</p>
<p>5.2 Management Accounts – Virtual Q&A</p> <p>CFO confirmed this report is the same report that came to last meeting. This was also discussed at the last board meeting where SB asked for a column changing. CFO confirmed this had been updated. CFO gave verbal update regarding carry forward from schools. Some projections were greater than actuals. There has been a lessons learned exercise. CFO explained issues relating to systems and that she has a meeting with all heads to go through the letter from Auditors CEO stated that we need to change the culture and ensure Headteachers understand budgets and realise the consequences of their finance staff not recording accurately.</p> <p>SS asked when we report the budget to ESFA are we showing revenue and include capital? CFO confirmed both revenue and capital are reported on. BFR asks for specific information including carry forward.</p> <p>SS queried when will we get Hilltop figures?</p>	

<p>CFO gave details of projected deficit. CEO stated that we are still not sure that the c/f deficit is correct. There is a question about LA funding and that we are owed a significant amount of money. The LA has been invoiced for the funding. CEO explained history of previous funding. There has been an issue about lack of funding for the last 2 years from the LA. School should have seen this and invoiced the LA. RP stated that when you look at the report there has been significant progress. A discussion followed relating to cash-flow within schools.</p> <p>Kelford - CEO provided background information relating to underfunding from the LA – this has been challenged and additional funding has been requested. If not agreed a legal challenge will commence. Until funding is received the trust will provide funding to the school from the central budget to underwrite the gap, taken temporarily from reserves.</p> <p>SB queried if it is within the remit of this committee to go through the budgets at this stage as there is too many unknown and uncertainties at the moment. CEO stated that it is important as we need to look at the risk and Directors need to be briefed on the mitigating actions being taken by the CEO and – where necessary – challenge this. A discussion followed relating to the best way of receiving the information. CFO confirmed the information will be circulated to all directors and A&F committee with a covering report and the CFO will be open to challenge.</p> <p>There are no issues with Pennine View budget.</p> <p>CEO informed the group that central reserves will be on future budget reports. CFO confirmed it is important to see the reserves especially with recent loans.</p>	
<p>5.3 Write Offs & Disposals Policy</p> <p>CFO had asked for this to be on the agenda as she is receiving asset disposal forms which include detailed information i.e. milk jug. CFO asked that all the committee agree to only see items that are on the fixed asset register. Agreed for CFO to revise the policy. Action 1 – CFO to revise the Write Offs & Disposal Policy A discussion followed relating to depreciation and that the figures we use are agreed with auditors and follow national guidance and is from the financial handbook. SB asked if the fixed asset register is available electronically. IB stated it is not but it is something he has been looking at. HCSS has a module which could be used. It will be a driver for staff to use it this year. There will need to be training about assets, costs and depreciation. If the system is used, we can evaluate and monitor. Action 2 – CEO to provide Fixed Asset Register</p>	<p style="text-align: right;">CFO 04/03/19</p> <p style="text-align: right;">CEO 13/05/19</p>
<p>5.4 ICT Information Governance and Strategic Updates</p> <p>5.4.1 Information Governance Strategic Framework 2018-19 Document</p> <p>SB stated his immediate thought is that there is a lot of work and wondered if you are coping?</p>	

IB confirmed that the report structure didn't take too long and he has capacity to do the work at the moment with the 4 schools and Crags joining.
SB stated he likes the headings of culture and growth

IB asked if it would be useful to include a project section on the back of the report?
SS feels the headings are really clear and it would be helpful to keep them in the relevant sections.

IB asked if it would be of benefit to copy actions into the report?

SS stated that she would recommend it is left as it is due to the amount of additional work it would create.

SB feels the work being done on the asset register is really interesting and an important piece of work and was wondering about communication and how IB work interacts with others staff.

IB gave information about how he and his staff work hand in hand with business managers and that all staff are reminded of work in staff meetings and that we are looking to standardise things.

SB asked what would happen if IB was work and who would cover?

IB confirmed that he is the only Information Governance & ICT Lead

SS asked if this should be considered in continuity and risk?

IB stated this is something linked into growth. I would hope that in schools they were automated and follow guidance provided.

TP comes into schools relating to E-Safety. He feels from an E-safety perspective there is not the explorative or proactive work taking place and there needs to be a contingency in place.

SS asked if we need to have external testing now the MAT is growing.

IB stated that penetration testing has been discussed in the past around the volume of work and financial impact. ISP has yearly testing. We surround ourselves with excellent providers and solutions.

A discussion followed relating to peer reviews and that this could be something for future consideration.

IB stated that we are building on current standards to achieve accreditation for Information Governance.

IB provided information in relation to the CCTV governance and GDPR. There is an audit tool defined by DfE for CCTV use and placement.

SS stated it would be good if the report was in colour to show the journey.

IB confirmed that is what the format will be.

5.4.2 E-Safety Document

All had read the report.

SS stated she was interested in the CEOP Ambassador training. Is this expensive?

IB confirmed that TP is recommending that one member of staff from the E-Safety group has the training to bring more value to the trust.

SS feels it would be good for a number of people take the course.

Action – CEO to discuss CEOP Ambassador training in one to one with IB

CEO/IB

<p>A discussion followed relating to standards in schools and that Abbey is ahead in relation to E-Safety and have generated a model of E-Safety Curriculum working with Cornerstones which could be used across all schools. IB informed the group that there is an E-Safety lead in all schools and at Abbey they have student ambassadors. For schools to reach the standard of Abbey there would need to be peer working as there is quite a significant gap. Narrowing the gap is his objective. Technically schools are on point. Key recommendations from the E-Safety report will be shared with staff and Deputy Heads will be included in the action plan with approval needed from Directors regarding any potential funding.</p> <p>RP asked about the central team and where does IB get the professional peer support. IB stated that you have to actively seek that as an individual. By motivation and with speaking to TP and previous colleagues and I do speak to many network managers.</p>	<p>Next one to one meeting</p>
<p>5.5 External Audit Management Letter</p> <p>CEO stated that the letter is for information and will be looked at in detail at the next meeting. CFO will bring this forward in the action plan and this will be circulation. Action – CFO to update the action plan with recommendations from the External Audit Management Letter and circulate CEO stated that we haven’t taken any action so far. The CFO will be meeting with Headteachers and responding.</p>	<p>CFO 04/03/19</p>
<p>5.6 2018/2019 Internal Audit Work Plan</p> <p>All have seen the Internal Audit Work plan and agreed it. One additional item has been added as requested. The key areas are around banking CEO informed the group that school fund is missing from the work plan. ACTION - CFO to have a discussion with Hart Shaws for advice on ways of presenting School Fund information A discussion followed relating to school funds and what it should be used for. RP asked the CFO is she was confident with the depth of auditing? CFO confirmed she is more confident with Hart Shaws. Once we have the new compliance and finance officers in place it will help. CEO informed the group that interviews for the Compliance Officers will take place on Friday and Purchase to Pay Officer interviews on Thursday.</p>	<p>CFO 04/03/19</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 Craggs update– ESFA solicitors not yet received all document from the PFI company to move the conversion forward yet. There is now a proposed conversion date of March. There could be further risk to the conversion if there is a General Election or there is a change in Government policy.</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.	
7.3	Review Risk Register – Verbal Update SS & RP gave update on work completed on the risk register. Work has taken place looking at other risk registers and they have looked at strategic objectives. They are trying to get to point of making sure the risk is live and relevant and the risks fit under strategic objectives. If you look at the current register some could be closed down. SS asked when we see the dashboard will it show the mitigating actions? CEO stated that this is a really progressive way of approaching the risk register. The only question is, are we sure our strategic objections and dashboard is giving us the indicators as an organisation we need. Further work to be completed before the next meeting. Action - SS/RP/CEO to meet to look at the Risk Register before the next meeting.	SS/RP/ CEO 04/03/19
8. DATES OF NEXT MEETINGS		
8.1	Future meeting dates: 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