



Audit & Finance Committee Meeting
Focus – Finance & ICT
Wednesday 20th June 2018 at 17:00 – 19:30
Nexus HQ

OUTSTANDING ACTIONS

Agenda Ref:	Actions	By & Target Date
5.1 23/04/18 Action 1	Review of Risk Register – Item 2.5 <i>safeguarding practices</i> . All LGBS have Safeguarding Link Governors, these are not mentioned in the mitigation. CFO to amend 18/07/18 – On agenda item 5.7	CFO 18/07/18
5.1 23/04/18 Action 2	Review of Risk Register – Item 2.10 – <i>Standards and testing</i> This was previously part of the role of the School Improvement Commissioner but is it now felt that the Assistant CEO will take this up as part of his role & report to the Standards Committee CFO to update 18/07/18 – On agenda item 5.7	CFO 18/07/18
5.1 23/04/18 Action 3	Review of Risk Register – Item 3.11 <i>Robust financial</i> Peer on peer review is a good step for mitigation & will be built next year’s audit plan as the new HCSS system is developed, learning & training is ongoing. CFO to build into audit action plan 18/07/18 – On agenda item 5.7	CFO 18/07/18
5.1 23/04/18 Action 4	Review of Risk Register – I was felt that arrows to show direction of travel of the risk would be useful. CFO to update 18/07/18 – On agenda item 5.7	CFO 18/07/18
6.3 20/06/18	CFO to bring back 12month audit plan to the next meeting. 18/07/18 – On agenda item 5.2	CFO 18/07/18
5.3/5.4 23/04/18 Action 1	5.3/5.4 Audit Acton Plan - DCFO to update headers on excel document. Dates of completion or expected dates of completion have been added to the action plan 18/07/18 – On agenda item 5.2	DCFO 18/07/18
5.3/5.4 23/04/18 Action 2	5.3/5.4 Audit Acton Plan - Could there be an additional column to show the impact of any new systems? DCFO will add to plan 18/07/18 – On agenda item 5.2	DCFO 18/07/18
5.3/5.4 23/04/18 Action 3	5.3/5.4 Audit Acton Plan - Could completed actions to a further worksheet and spot checks continued to be carried out. Issue will only then be removed when clear & practice is embedded 18/07/18 – On agenda item 5.2	DCFO 18/07/18
5.7 23/04/18 Acton 1	Fraud and Financial Irregularity Guidance - The CFO & ICT Lead are due to meet to ask “What ICT areas are missing from Risk Register?” 18/07/18 – On agenda item 5.7	CFO 18/07/18

5.7 23/04/18 Action 2	Fraud and Financial Irregularity Guidance - "What ICT areas are missing from Risk Register?" This will be a question that the committee can ask when the next review of the register takes place. 18/07/18 – On agenda item 5.7	CFO 18/07/18
5.1 20/06/18	CFO to update Expenses Policy stating that Headteachers can approve travel expenses when any contentious issues.	CFO 18/07/18
7.1.2 20/06/18	CFO to update Academies Financial Handbook with changes and send to Directors	CFO 18/07/18
5.6 23/04/18	Nexus MAT Financial Manual - DCFO continues to review & update and bring back to the committee as a final draft in September 2018. Document should also be approved by the auditors before going to the Trust Board.	DCFO 01/10/18
6.1 20/06/18 Action 4	CFO/IB update risk register with risks regarding GDPR	CFO/IB 19/11/18

COMPLETED ACTIONS

Agenda Ref:	Actions	By & Target Date
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/CFO to obtain a more details & bring back to next meeting 23/4/18 – CFO had checked how frequently that actions raised after the audit were reviewed. School Business Manager had cleared all urgent actions immediately and the action plan is now reviewed every half term. There is a legionella risk if showers & toilets in school are not being used, why are they still in school if they are not being used? What is the process of checking? CEO to readdress issue with school 20/06/18 - following a conversation with Karen it has been confirmed that checks are regularly completed and the showers are still used. Documents need to be provided in Risk Assessment - Completed	Completed
5.1.1 05/03/18	GDPR Update - IB was requested to circulate & share ELT updates with Directors on a regular basis 23/04/18 - CFO has received first report from IB so will circulate to all after meeting 20/06/18 – on agenda - Completed	Completed
5.1.2 05/03/18	IB to write a formal Trust Level ESafety Strategy. 23/04/18 –With the imminent implementation of GDPR there is no capacity at present to complete this. IB now in new full time post for Nexus. Inclusive Strategy Group is new & only just formed, regular ESafety reviews in place in schools so compliant & ready for GDPR & Steering Group. CFO will work with IB to bring a broad outline of what a Trust ESafety Strategy might include to the next meeting which is the Finance & ICT focussed meeting 20/06/18 – on agenda - Completed	Completed
5.4 05/03/18	Internal Audit Plan - This action was discussed THIS ITEMS WAS DEEMED CONFIDENTIAL PLEASE SEE APPENDIX 1 FOR INFORMATION 20/06/18 On agenda – Completed	Completed

<p>5.5 20/11/17</p>	<p>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/CFO to obtain a more details & bring back to next meeting 23/4/18 – CFO had checked how frequently that actions raised after the audit were reviewed. School Business Manager had cleared all urgent actions immediately and the action plan is now reviewed every half term. There is a legionella risk if showers & toilets in school are not being used, why are they still in school if they are not being used? What is the process of checking? CEO to readdress issue with school. 20/06/18 – carried forward to next risk meeting as this will focus on risk. CFO will circulate the plan ASAP ahead of the next meeting. 11/07/18 – Circulated & on agenda of 18/07/18</p>	<p>Completed</p>
<p>5.1.2 05/03/18</p>	<p>IB to write a formal Trust Level ESafety Strategy. 23/04/18 –With the imminent implementation of GDPR there is no capacity at present to complete this. IB now in new full time post for Nexus. Inclusive Strategy Group is new & only just formed, regular ESafety reviews in place in schools so compliant & ready for GDPR & Steering Group. CFO will work with IB to bring a broad outline of what a Trust ESafety Strategy might include to the next meeting which is the Finance & ICT focussed meeting. 20/06/18 – IB has developed a plan and tabled the plan at the meeting. It mirrors the plan of this committee. IB role split is between strategic and governance. IB to provide update regularly at future meetings.</p>	<p>Completed</p>
<p>5.7 05/03/18</p>	<p>Write offs and Disposals - Directors requested and updated report with narrative with regard to the disposal of the larger items. 23/04/18 –There are no further updates on this item at present information will come to the next meeting. 20/06/18 – CFO had 1:1 meetings with Heads re Write offs and Disposal and still has not received reports for this meeting. There have been numerous reminders regarding this and all have the policy. IB informed the group that there was a delay with companies collecting equipment but this has now been resolved. CEO will discuss with Headteachers and proposes that we ask internal audit to look at write offs. All agreed. 11/07/18 – On agenda 18/07/18</p>	<p>Completed</p>
<p>6.4 20/06/18</p>	<p>CFO to send dates out to arrange a meeting at the end of the day for Directors to look at the budget prior to the Trust Board meeting in July. 18/07/18 Central Trust Budget Scrutiny Meeting arranged for 18/07/18 at 4pm</p>	<p>Completed</p>



Audit & Finance Committee Meeting
Focus – Finance & ICT
Wednesday 20th June 2018 at 17:00 – 19:30
Nexus HQ

Attendees:

Alan Meloy	Director – Chair	AM
Sue Shelley	Director - Chair for meeting	SS
Steve Booth	Director	SB
Warren Carratt	CEO Nexus MAT	CEO

Also Present:

Diane Hyner	Clerk	DH
Tracey Brooke	CFO Nexus MAT	CFO
Cath Sands	DCFO Nexus MAT	DCFO
James Kelly	Advisor to Committee attendance via phone link	JK
Naveen Judah	Advisor to Committee	NJ
Ian Burns	Strategic ICT Lead	IB

Apologies:

Rachel Potts	Director	RP
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1. APOLOGIES FOR ABSENCE	Actions
1.1 To receive apologies for absence Apologies were received from RP	
1.2 To accept apologies for absence Apologies were accepted	
2. ITEMS OF URGENT BUSINESS	
2.1 Chair to determine any items of urgent business to be considered The follow item to be discussed at 7.1: <ul style="list-style-type: none"> Letter from Lord Agnew Academies Financial Handbook 	
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 Committee The minutes of the Audit & Finance Committee meeting held on 23 rd April 2018 were reviewed. Minutes approved and signed	
4.2 Matters arising from the Minutes Updated actions from the minutes were noted above	
5. ITEMS FOR APPROVAL	
5.1 Policies Review Report including: Competitive Tendering & Procurement Policy Expenses Policy Risk Management Policy Register of People with Significant Control Most of the change is around terminology. SB stated for the record the new report is a good step forward and much easier to read Expenses policy AM raised the issue about expensive travel and that sometimes air travel is quicker and more cost effective. CFO stated that Academies financial handbook states you have to prove value for money and that things cannot be perceived as an excessive use of public funds. That is why it was agreed to come to Trust Board for approval when anything may be perceived as contentious. SS feels that if we can evidence that the travel arrangements are cost effective that should meet the value for money element. TB asked are you saying you do not think this needs to come to the Board for approval? AM stated that he thinks the Headteacher should be able to sign. JK queried if there was a policy on first class verses standard class travel? TB informed the group that travel can only be standard travel. Action – CFO to update policy	CFO

SS asked about the one off payment for mileage and what is the evidential basis of the need?
 CFO stated that the trust is undertaking a value for money exercise and they wanted the policy to cover this if needed.
 SS queried if a current MOT certificate if applicable is also required along with insurance documents.
 JK also queried if the insurance should state business use.
 CFO confirmed that both documents required and insurance must state business use and this is covered in the policy.

Competitive Tendering & Procurement Policy, Risk Management Policy and Register of People with Significant Control Policy all agreed.

6. ITEMS TO BE CONSIDERED

6.1 ICT Strategy Update
 GDPR Wash-Up
 Information recorded in Confidential Appendix

E-Safety update
 IB informed the group that the E-safety lead meetings have been great so far and they have set out and managed to achieve a collaborative culture. Leads are going out to schools of their own accord and looking at challenges and skills sharing and IB is really pleased with the progress so far. Craggs will be joining our next meeting prior to close of this academic year.
 Tim Pinto is coming in at the end of the term to look at the external review which has run throughout the year. Schools have developed substantially on E-safety.
 All schools doing well and progressing through their reports.
 For future development we are focusing on peer collaboration.
 Pupil Voice will be the next thing we look at. Schools are on board with this making sure we have ambassadors in school taking E-Safety training along with teachers.
 SS asked if the growing up digital is a toolkit?
 IB confirmed that this is a report completed by the DfE last year to inform and reinforce compliance with GDPR looking at what rights children have and what they should and shouldn't be doing in public spaces. This is a new aspect and it will take a full year before we see the impact on pupils.

ICT Strategy Update
 IB passed round the strategy around Information Governance and stated this is still work in progress.
 GDPR compliance version 2 which will be streamlined to reflect what worked well and what didn't go well fuelled by our processes which will be a collaborative process.
 IB gave information regarding the E-Safety theme moving forward but CFO said it comes with a caveat that this is very early stages and it is a work in progress and it needs to be smart with targets. There will be action plans underpinning all of this.
 SB stated that he thinks this is superb. The concept is spot on with the right language and at the right level.
 CFO talked about this feeding into the strategic 5year plan
 SS commented that it illustrates the challenges we have got and that it is not just about IT but includes E-safety
 IB stated it shows it is important to include children and adults and it is not just in school time but also at home

<p>6.2 High Level 12-month delivery plan CFO confirmed all statutory deadline have been met. The plan is for the next BFR to be completed two months in advance. Slippage time is built into the plan to allow for sickness and leave.</p> <p>AM asked if BHP had finish their work properly CFO confirmed yes they have but there is just one thing they could have done by the end of May but isn't needed until the end of September. We could have put this in unaudited. The new auditors are dealing with it. NJ queried if they had done the corporation tax consultation CFO confirmed they had and there was a nil return. This nil return cost £750</p> <p>SS asked about the HSCC accounting software in schools and wanted to know are people up to date with training and are they where they should be as we wouldn't want them to be behind CFO all schools are ready and training completed and they are already using this for budgets and we have no concerns about them understanding the system. All business managers will be trained on the accounting software on 4th July. SB stated this will be vital as we start to grow for financial scrutiny. NJ wondered when business managers have used HSCC, have they compared it to old systems CS stated that she was not sure. NJ suggested they compare budget information with old and new systems. CFO confirmed they are re-running information from both systems at the end of June re budget setting and would be able to compare figures following that</p>	
<p>6.3 Internal Audit – plan for June Audit CFO informed the group that Hart Shaw Chartered Accountants joined the Trust from 1st June and have been given a brief following induction for them to focus on our schools as they had not worked in special schools before. They will focus on the month end check list of compliance checks to ensure that schools are complying and asking they check for evidence so they can report back. They have been into Abbey, Hilltop and Pennine View this week and will go into Kelford next week. If they have time they will complete a petty cash challenge and look at school fund in the future.</p> <p>CFO and NJ have met to discuss a rolling program for internal audit and will circulate when the plan has been agreed. ACTION CFO to bring back 12month audit plan to the next meeting.</p>	<p>CFO 18/07/18</p>
<p>6.4 Trust Budget setting 2018/19 CEO informed the group that minor amendments were made to scheduling of meetings and he would like to take the budget to be signed off at the trust board meeting in July. CEO stated that we are proposing like for like with last year with the additional amendments brought in throughout the year.</p> <p>We are still in the process of finalising numbers planned for schools next year and expected incomes but numbers could change in September.</p> <p>LGB's have looked at school budgets. Because of the shift in scheduling it is suggested that in the absence of tabling this today that we have a task and finish group to look at</p>	

<p>the budget prior to the board meeting in July.</p> <p>SB asked when is the deadline for submission of the whole budget? CFO confirmed that it will go to the Trust Board on 24 Jul and must be submitted to ESFA by the end July. SB will this be an issue with not having final numbers for students? CEO stated that this is what happens every year. The reason the report didn't come today is that the report needs to be accurate with the most up to date information.</p> <p>AM asked if you looking for volunteers of about 3 or 4 to look at the budget prior to the Trust Board meeting CEO stated that you could have a task and finish group or you could agree for this just to go to the Board. CFO informed the group that Schools are predicting surpluses in their budgets and the liquidity is looking fine. Agreed to meet for an hour for a deep dive look at the budget</p> <p>ACTION – CFO to send dates out to arrange a meeting at the end of the day for Directors to look at the budget prior to the Trust Board meeting in July.</p>	<p>CFO ASAP</p>
<p>6.5 Apprenticeship Levy</p> <p>SS stated that we asked for a report at the end of the financial year so we could understand the impact of the apprenticeship levy and plans for next year CFO stated that we didn't have budget information loaded against the school budget and the cost of training last year. You can now use the HMRC website to see the information and track the impact of the apprentices and the best way of using that is checking the website before paying for training. There is a lot of flexibilities around the training for apprentices in schools</p> <p>We need 10 apprentices for value for money and we have 16 SB asked what is the levy CFO confirmed the levy is £19,620 across all four schools with Hilltop paying the most at £8,000 and the least is Abbey at £2,000. Abbey do not have an apprentice at the moment but they are currently looking for one.</p> <p>CFO informed that the levy is held for 2 years and if you do not have an apprentice you lose the money. The Trust central team is looking for an apprentice to assist with a number of tasks.</p> <p>SS asked what the cost of the apprentices is CFO confirmed that the NVQ level 2 supporting teaching course comes in at £2,000 – Level 3, £2,500</p> <p>All of the Trust levy is being used and any training provided above is eligible for a 90% discount. The use of apprentices at the Trust has been a success story.</p>	
<p>6.6 External audit action plan</p> <p>CFO informed the group that external audit won't happen until Dec and will be built into the 12month plan. CFO asked would you like to see the audit on the 12month plan with deliverable targets or would you like to see what they will be doing when going into schools. AM stated we need to see it in the high level plan.</p>	

<p>CFO informed the group that DCEO will be completing the BHP work this year Hart Shaw Auditors have been given deadlines for the external audits to ensure all deadlines are met.</p>	
<p>6.7 ESFA Condition Data Collection Tranche 5 CFO asked if the Directors found the information interesting. The top 10 came out at the end of May and is an interesting check and balance as a Trust Board in terms of estates. This information has been brought to the meeting for thoughts prior to it being taken to the Trust Board. I think we are good at plugging gaps but I don't think we have an estates strategy to help us answer these questions and I think we could use the checklist to develop the strategy.</p> <p>SB stated that he doesn't recall in 2 years this being passed across his path. CFO confirmed that she had not seen this previously</p> <p>SS asked do we have condition survey of all of our buildings? CFO stated no we do not have condition surveys. Some MAT's employ an Estates or Facilities manager with responsibility for this including H&S and compliance. We have accountability for this.</p> <p>A discussion followed around the need for Estate/Facilities managers and the risks that may need to be considered if we do not have someone to deal with this. This could also be a risk to budgets. CFO stated this is about informing you and us having a thought process around it. CEO confirmed that part of the problem in terms of value is about the routes of funding for this and that we could consider freeing up resources in schools to take on part of this. Options could be explored to see how we fund this as part of growth and development</p> <p>SB suspects that if this has come from the DfE that sometime in the future this will be included in Ofsted inspections and needs to be embedded in our work on a daily basis CFO feels that if we identify risks we could buy back some of the services of officers in other MAT's and we wouldn't take the risk of employing</p>	
<p>6.8 Crags Community School Due Diligence key questions on PFI CEO updated the committee that questions have been agreed at the Trust Board and CEO will meet with SS and the questions and will be brought back to next meeting.</p>	
<p>7. ANY OTHER URGENT BUSINESS</p>	
<p>7.1 To consider any other urgent business agreed by the Chair 7.1.1 Lord Agnew Letter Acknowledge we have received a letter from Lord Agnew for information A discussion followed around the key elements of recommendations in the letter CEO confirmed there was nothing in the letter that he would be concerned about or that we are not looking at. JK stated that he has dealt with letters like this and that they change from recommendations to law. Do you think this is the way he is going with this? CEO confirmed that he believes this is the way things will go and the financial handbook will be updated to reflect this.</p> <p>7.1.2 Financial Handbook CFO to update the Academies Financial Handbook and will send out to Directors</p>	<p style="text-align: right;">CFO 18/07/18</p>

8. CONFIDENTIALITY & RISK	
8.1 To consider the confidentiality of any items discussed during the meeting Part of item 5.1 was deemed as confidential	
8.2 To consider any areas of risk discussed during the meeting ICT issues and Information Governance being more prominent will be added to Risk Register	
9. DATES OF NEXT MEETINGS	
9.1 Dates of meetings for 2017/2018 All agreed for the need for the meeting on Wednesday 18 th July	

Minutes approved

CHAIR	SIGNATURE	DATE
Sue Shelley		01/10/18