



**Audit & Finance Committee Meeting**  
**Focus: Audit & Risk**  
**1<sup>st</sup> July 2019 17:00 – 19:30**  
**Nexus HQ**

<b>Attendees:</b>		
Sue Shelley	Director – Chair	SS
Steve Booth	Director	SB
Rachel Potts	Director	RP
Ray Palmer	Director	RPa
<b>Also Present:</b>		
Diane Hyner	Nexus MAT Clerk	Clerk
Warren Carratt	CEO Nexus MAT	CEO
Cath Sands	CFO Nexus MAT	CFO
Naveen Judah	Advisor to Committee	NJ
Emma Heyes	Project Manager	EH
<b>Apologies:</b>		
James Kelly	Advisor to Committee attendance via phone link	JK

<b>1. WELCOME &amp; APOLOGIES FOR ABSENCE</b>		
1.1	To receive apologies for absence  JK	
1.2	To accept apologies for absence Apologies accepted from JK	
<b>2. ITEMS OF URGENT BUSINESS</b>		
2.1	Chair to determine any items of urgent business to be considered  There were no items of urgent business	
<b>3. DECLARATION OF INTERESTS</b>		
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	
<b>4. TRUST BOARD OF DIRECTOR MINUTES</b>		
4.1	To approve the minutes of the following meeting: Audit & Finance Committee meeting held on 13 <sup>th</sup> May 2019  CEO informed the group that the accurate name of the accountancy company is Hart Shaw and not Hart Shaw's as recorded in the minutes of 13 <sup>th</sup> May.  <b>Action</b> – clerk to update minutes - <b>completed</b>  The minutes were approved with the changes.	<b>Completed</b>
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.	
<b>5. ITEMS TO BE CONSIDERED</b>		
5.1	Trust Risk Register  A discussion took place relating to the columns, risks completed and updates.  RP gave an example of where there has been progress but there is no commentary recorded to evidence this. SS stated there needs to be a calendar where progress and changes are updated 3 times a year. CEO informed the group that the Academies Financial Handbook 2019 was published last week which includes a section regarding the risk registers which we need to look at <b>Action – A&amp;F committee to read the updated Academies Financial Handbook 2019</b>  RP asked where can we see the action taken to address the gaps?	<b>All 30/09/19</b>

CEO stated the risks are reported to the TBoD on a regular basis where all active live risks are discussed and gave examples. This committee is where we should reflect on the risks and identify if the risks are captured and being effectively addressed. CEO stated the document is short enough for the group to be able to read, discuss and identify updates and task the CEO with updating the register after each meeting’s review.

The group worked through the document asking for clarification in some instances and talking through a number of issues raised.

RPa stated that if it is the intention to update the risk register and discuss it every 3 months with updates being presented at TBoD and with minutes which record progress, all of this can be used for evidencing progress.

SS informed the group that she has discussed the risk register with JC and has agreed that the register should also be discussed at the Standards Committee.

A discussion followed relating to the risk of a change of government and government policies. All agreed this is beyond the academies control and academies can only react when changes happen. RP also felt this was captured elsewhere in the register, anyway.

The group worked through the register and tasked CEO with updates.

**Action – CEO to update commentary on the Risk Register**

**CEO  
30/09/19**

5.2 High Level 12-month Delivery Plan

RP stated that the final sign-off of the 12-month Delivery Plan will be at the Trust Board on the 24<sup>th</sup> July and asked if the Trust is heading in the right direction?

A lengthy discussion followed relating to potential issues and risks around school budgets, projected surpluses and LA funding for SEN placements. Examples were given and thoroughly discussed in the meeting.

5.3 Health & Safety Update

EH provided an additional appendices of the Health & Safety Audit report at the meeting.

EH provided an overview of the process when ProActive go into schools. ProActive meet with Headteachers and the School Business Managers and complete an assessment where 176 items are considered. All actions are uploaded to a portal. EH provides a summary of the full report. EH receives an alert from the system when schools have not completed an action in timescale.

EH stated that schools are positive relating to ProActive process. An area for development is collecting the evidence for the work completed.

EH provided a breakdown of required actions for each school stating the majority of actions identified have now been completed. There will be feedback and results relating to Kelford’s assessment at the next meeting as the assessment was completed mid-June so not all information is available.

New academies will be included in the process when they join Nexus.

RPa asked what qualifications do they have?  
 EH confirmed they are NEBOSH qualified.  
 EH stated the information had been provided previously but that it would be re-circulated.  
**Action - EH to re-circulate information relating qualifications of staff working for ProActive**

**EH  
 30/09/19**

EH informed the group that ProActive provide training for schools in addition to the assessments.

A discussion followed relating to some of the issues identified by ProActive with EH providing updates on progress.

CEO informed the group that the Headteacher has responsibility for Health and Safety in schools.

SS asked what regime of spot checks will be in place to ensure that schools have not slipped back?

EH confirmed that ProActive will re-check all assessments after 6 months and annually.

RPa asked what is the SLA Nexus has with ProActive

EH confirmed that Nexus has a temporary contract in place until August 2020.

RPa stated it would be interesting to have sight of the SLA to see the timescale of return where there a significant risk has been identified.

**Action – EH to provide a copy of the SLA to RPa**

**EH  
 30/09/19**

ProActive are due to complete a fire audit in all schools during the 6 weeks’ holidays.  
 EH will be arranging a training session facilitated by ProActive for all site managers.

EH asked if the group are happy with the format of the audit report.

SS stated that the report has been really helpful but feels we need a couple of the reports to see if we are happy with the format.

RP asked if incident reporting of accidents in schools could be included in the report.

CEO stated these are reported at LGB meetings so the information could be included in the report.

**Action –EH to include information regarding accidents in schools in the next Health and Safety Audit report.**

**EH  
 18/11/19**

CEO stated we need to cross reference what we are reporting and what the new Academies Financial Handbook has included.

**Action – EH to check the Academies Financial Handbook to check all relevant information is included in the Health and Safety Audit report.**

**EH  
 18/11/19**

5.4 April 2019 Internal Audit findings

CFO talked through the Summary of recommendations.

A few issues have been identified relating to HR files held in schools.

<p><b>Action – CFO to visit schools with MS to look at the HR file issues.</b></p> <p>CEO stated he does not agree with some of recommendations from auditors and has met to discuss his concerns with the auditors.</p> <p>A discussion followed relating to the Fixed Asset register and where it is held. It was confirmed the register is held and updated by the CFO with information provided by the finance compliance officers.</p>	<p><b>CFO/MS 30/09/19</b></p>
<p>5.5 Hart Shaw response to Lord Agnew's letter</p> <p>CFO gave update regarding 31<sup>st</sup> Aug 2018 letter and issues highlighted.</p> <p>SB stated there are things that have gone unresolved from 2017 and asked if we have had a concerned response from the ESFA? CFO informed the group that this is not unusual but can guarantee the issues classed as red categories will not be there on the August 2019 audit.</p> <p>A discussion followed relating to the tendering process and where there are exceptional circumstances where you would not be able to obtain 3 quotes. NJ queried a recommendation on P6 relating to the wording around monthly reconciliation for all balance sheets</p> <p><b>Action – CS to check with Hart Shaw re wording of recommendation</b></p> <p>A discussion followed relating to debts and process for chasing outstanding payments.</p>	<p><b>CFO 30/09/19</b></p>
<p>5.6 Work Plan for 2019/2020</p> <p>SS stated we need to ensure we are aligning meetings with work that needs to be completed without having to put in additional meetings. In the Scheme of Delegation, it states that Directors should meet with auditors and wondered when is the best time to do this as it is not identified in work plan. We need to take into consideration committees and succession planning. SS has agreed to telephone the Chair of the TBoD following meetings to update him and discuss things.</p> <p>SB feels twice a year is adequate to meet auditors. We need to think about what we want to know from auditors. I would be looking for reassurances from the auditors. CFO stated the external audit starts in September with the report being provide in December and the internal audits are Feb, April and July. It would be more meaningful to meet following the internal audit. We could arrange a briefing following each internal audit. CFO informed the group it would be the person who writes the report that would feedback. CEO stated for the annual accounts we will have a review meeting prior to the TBoD where you could meet without CEO and CFO being present. SS asked if everyone is ok with the meeting dates for next year. A discussion took place relating to the July meeting and it was agreed to change the meeting date to 21<sup>st</sup> July. It was also agreed to change the January meeting to allow the CFO to collate all of the information following the Christmas break.</p> <p><b>Action – CFO to look to see which is the best date and bring back to the next meeting for agreement</b></p>	<p><b>CFO 30/09/19</b></p>

<p>5.7 Reserves Discussion</p> <p>A discussion took place last week at the TBoD meeting.</p> <p>CEO feels the group need to spend time in Sept to look at language used in the report.                  c/f to September meeting</p>	
<p>5.8 ICT Asset Disposal</p> <p>C/f to next meeting</p>	
<p><b>6. ANY OTHER URGENT BUSINESS</b></p>	
<p>6.1 To consider any other urgent business agreed by the chair                  There were no items of urgent business</p>	
<p><b>7. CONFIDENTIALITY &amp; RISK</b></p>	
<p>7.1 To consider the confidentiality of any items discussed during the meeting                  No items were deemed to be confidential</p>	
<p>7.2 To consider any area new risks identified during the meeting                  No new risks identified during the meeting.</p>	
<p><b>8. DATES OF NEXT MEETINGS</b></p>	
<p>8.1 Future meeting dates:</p> <p>Monday 30<sup>th</sup> September 2019 at 17:00 – 19:30 – Nexus Headquarters</p>	

**Minutes approved**

CHAIR	SIGNATURE	DATE
SUE SHELLEY		30/09/19