



**Audit & Finance Committee Meeting**  
**Focus: Finance & ICT**  
**27<sup>th</sup> January 2020 17:00 – 19:30**  
**Nexus HQ**

<b>Those Present:</b>		
Sue Shelley	Director – Chair	SS
Steve Booth	Director	SB
Ray Palmer	Director	RPa
Rachel Potts	Director	RP
Warren Carratt	CEO Nexus MAT	CEO
Ian Burns	Strategic ICT & Information Governance Lead	IB
Diane Hyner	Executive Business Assistant	DH
Naveen Judah	Advisor to Committee	NJ
Cath Sands	Acting CFO Nexus MAT	CFO
<b>Apologies:</b>		
James Kelly	Advisor to Committee (attendance via telephone link)	JK
<b>No Apologies:</b>		

<b>1. WELCOME &amp; APOLOGIES FOR ABSENCE</b>	
1.1. To receive apologies for absence  Apologies were received from JK.	
1.2. To accept apologies for absence  Apologies were 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 to consider.	
<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. AUDIT &amp; FINANCE COMMITTEE MEETING MINUTES</b>	
4.1. To approve the minutes of the following meeting:  The minutes of the Audit & Finance Committee meeting held on 18 <sup>th</sup> November 2019 were reviewed and approved.  CEO suggested a change to the format on the front page regarding attendees at the meeting. In future to record all under the present header on the front page rather than present and also present.  SS gave a verbal update regarding item 3.1 on P10 stating she had not had a response relating to her risk assessment.	
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. High Level 12-month Delivery Plan  CFO provided an overview of the High Level 12-month Delivery Plan stating that all January's tasks have been completed.  The Budget Forecast Return in Year (BFRIY) has been added to the report since the last meeting.  <b>SS asked if there is anything we need to be aware of when referring the report to the ESFA</b> and the CEO stated we get regular updates from the ESFA of what is required and everything is in the plan.	

**SS asked if we know what our assets are** and the CEO explained that an update on the asset plan being developed will be reported at the next meeting. 5 Rivers Trust has been commission to complete this work.

**RP asked what areas will the internal auditors be looking at on the 3<sup>rd</sup> February** and the CFO confirmed it would be Banking, Petty Cash and School Fund.

CEO gave information about a conference which the CFO had attended where it was suggested that 2 internal audits a year would be sufficient. CFO felt the Trust would not suffer by having 2 audits rather than 3. A discussion followed relating to cost and work involved. Directors resolved to discuss with Hart Shaw at the next scheduled meeting.

5.2. Trust Budget Monitoring Report (Nov 2019)

CFO talked through the Budget Monitoring report which now includes the carry forward figures from Hart Shaw.

CFO explained the reason for circling some of the c/f figures on the report.

A discussion followed relating to the level of schools reserves explaining the differences for some schools.

CEO gave information about actual ring fenced reserves.

**SB stated the fixed reserve figure continues to be the same and wondered if we need to change the policy regarding fixed reserves** and the CEO explained the trust policy relating to school reserves.

NJ suggested that you need to understand the terminology of reserves and cash and this could be part of the training which the CFO will deliver.

SB stated that he would like to see that figure relating to the definition in the policy due to concerns that the Trust will be criticised.

A discussion followed relating to the wording on the report relating to reserves.

**NJ asked if the CFO will be producing a consolidated spreadsheet or one for individual schools** and the CFO confirmed there will be one consolidated one with the information at the back of the report on individual school.

A discussion followed relating to loans and how the information is recorded on individual school reports.

**SB asked about the outturn 2019/20 figure on p4** of the report and the CFO confirmed this was regarding school’s funds.

**SB asked about extended services and the predicted deficit** and the CFO confirmed the budget had been monitored and explained the deficit is due to officer errors and is in fact healthier in the December report, which will be circulated to Directors in line with the agreed schedule.

<p>RP asked about the information on p5 regarding pressures and what is the risk of not getting to an in year balance and the CFO feels confident that the additional funding will come in for PV. The CEO explained how the school have tried to obtain additional funding.</p> <p>A discussion followed relating to sickness levels in schools in the autumn term.</p> <p>CFO asked the group about their views relating to School Fund and should the information be removed from the front page and all agreed it should be included and that the group needs to learn how to understand the report better. A discussion followed about what figures should be included and agreed consolidated figures including school fund which would all reconcile.</p> <p>A discussion followed relating to schools underspend and the CEO stated this was due to ratios of pupils to staff which is lower in some schools and also the number of NQT’s.</p> <p>A discussion followed relating to the differences in funding across the schools.</p> <p>A discussion followed relating to investing reserves and the CFO stated the Trust could request advice from Barclays relating to investment. <b>ACTION – CFO to arrange a meeting with Barclays to discuss investments</b></p> <p><b>RP asked if the Extended Services contract had been extended further</b> and the CFO confirmed it was signed until end of July but not for the summer school but if not signed there will be no risk as there will be no spend.</p>	<p><b>CFO</b> <b>02/03/20</b></p>
<p>5.3. External Audit Management Letter – Hart Shaw CFO confirmed all have seen the report and asked for questions.</p> <p>P6 – amount of journal Hart Shaw completed to make budgets correct. This is a positive as the numbers of journals have greatly reduced.</p> <p><b>RP asked if the outstanding actions on the front page is due to cultural behaviour</b> and the CEO stated that although he understands we haven’t had compliance in the past he does not think the issues are endemic. We now have the compliance officers in place we have evidence that if it happens next year it will be by exception. CFO explained processes and procedures in place and confirmed schools have embraced them. Now there is additional compliance officers in place, process will be checked on a monthly basis RP stated that she hears what is being said but that it would be good to see these reported as resolved and the CEO agreed that if we have not got these issues resolved by the end of the year we will have failed but that the central bank account has resolved a number of issues.</p> <p>A discussion followed relating to the progress around financial processes and additional compliance staff roles.</p> <p>RPa asked what is the conclusion on this and the CFO stated it is a rolling process and the reports will go to Lord Agnew. Ideally we need to closed these actions off and staff will do all they can but if auditors find something we have missed these two will stay on.</p>	

<p>CFO informed the group that there is a form for dealing with breach of process which has to be completed if the process is not followed.</p>	
<p>5.4. Audit Tracker</p> <p>CFO talked through the report and explained about testing and reporting and that where there are blanks the tasks have been completed but the CFO hasn't had chance to test.</p> <p><b>RPa asked how will you prioritise testing</b> and the CFO stated the risks rated as red would be tested first.</p> <p><b>RP asked if there are risks around petty cash</b> and the CFO confirmed a lot of work has been completed and compliance officers have checked the procedures are being followed.</p> <p><b>CFO asked if it would be better for the columns to be hidden once completed</b> and all agreed to this</p> <p><b>SS stated that she does not feel confident reducing from 2 internal audits per year from 3</b> and the CFO explained how the split would be. All of the things would be audited but diluted down due to the reduction in time.</p> <p>A discussion followed relating to the need for depth of audit.</p> <p>CEO explained the Trust have also got the recommendations from the external audit which will continue</p> <p>NJ stated he has always felt uncomfortable that the internal and external audit provider is the same company.</p> <p>A discussion followed relating to audit schedules and the growth of the Trust</p> <p><b>ACTION</b> - To discuss having separate companies to provide internal and external audits with Auditors at the meeting on 2<sup>nd</sup> March at 4pm</p> <p><b>ACTION</b> - - CFO to look at contracts and tendering for separate internal and external audit companies. CFO to provide an update for the next meeting</p>	<p style="text-align: right;"><b>All 02/03/20</b></p> <p style="text-align: right;"><b>CFO 02/03/20</b></p>
<p>5.5. ICT Information Governance and Strategic Update</p> <p>SS apologised to IB as she had lost the link to the Data Protection and GDPR training course and asked if IB could re-send.</p> <p><b>ACTION</b> - IB to re-send the links</p> <p>IB talked through the report stating the Trust is currently rolling out anti - virus software which will prove an extra layer of protection and this is a significant piece of work.</p>	<p style="text-align: right;"><b>Completed</b></p>

CPOMS

**SS asked will some children who are open to extended services be reported twice** as they will be on schools on CPOMS and IB stated that the Extended Services CPOMS data base is separate to the schools CPOMS.

**SS queried if the school needs to do a report on everything the child is accessing**, will they have to request a report and IB confirmed yes they will need to request a report from Extended Services

CEO talked through the issues extended services are having obtaining information from schools and how CPOMS will work.

A Discussion followed relating to North Ridge and how they are embracing the support from Nexus.

SS asked if the committee should write a letter of thanks to Headteachers to recognise the hard work that has been taken place across the board in regards to information governance.

**ACTION** – CEO to draft a letter to be sent on behalf of the A&F Committee and send to the Chair.

**CEO  
02/03/20**

**SB asked about the financial leadership and how that impacted on targets** and the CEO explained about how we obtain best value and the ICT Plan.

**SB stated there is clearly a lot of cost involved, how is that shown in the finances and what is the impact** and the CFO explained last July the trust budget was set looking at spend last year and plans for this year. There is a tracker for lessons learned which includes things we haven't budgeted for i.e. new schools joining the Trust

A discussion followed relating to budgets and mitigation and variations due to this period of growth.

P6

**RP asked about procurement process and if there was a tendering process** and IB confirmed 3 quotes had been obtained.

CEO explained the issues relating to broadband and trying to bring schools into line so when the Trust comes to review the contracts a tendering process can take place

P7

CEO stated it is positive that we have had zero spam outbreaks and IB confirmed the level of protection is in response to spam emails and the result is really good

P8

SS asked about the CDP program and if we get reports of nil returns and gave and IB gave examples and confirmed they do. IB stated he gets reports daily then passes to CEO when necessary and then to Headteachers who reply regarding the outcome.

<p>P9 IB talked about the cyber security essentials and stated he would like to obtain certification for the Trust. The registration for certification has changes and the cost has increased which is now annually not every 3 years. IB is awaiting feedback about the impact of this.</p> <p>P10 IB informed the group that CPD launched a program through high speed training on GDPR which is school orientated. This has also been rolled out centrally which includes apprentices</p> <p>P12 <b>SS asked about procurement relating to the Free Schools</b> and the CEO stated the DfE / Government are the procuring agency.</p> <p>A discussion followed relating to Doncaster’s Bader Free School including the infrastructure and ICT tendering.</p> <p>P14 CEO clarified that under complaints section it is the ones that go through to formal complaints, stage 2 or above.</p> <p>A discussion followed relating to SAR and FOI requests</p> <p>All agreed the report was very good and easy to follow.</p>	
<p>5.6 Free School ICT Procurement</p> <p>Discussed at 5.5.</p>	
<p><b>6. ANY OTHER URGENT BUSINESS</b></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><b>7. CONFIDENTIALITY &amp; RISK</b></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>Internal and External Audits and reducing number of Audits. <b>ACTION</b> - Consider a review of the whole audit programme and the number of audits undertaken.</p> <p>Risks identified will be discussed at the next meeting.</p>	<p><b>ALL ONGOING</b></p>

**8. DATES OF NEXT MEETINGS**

Monday 2 <sup>nd</sup> March 2020	16:00 – 17:00	Nexus HQ	Hart Shaw
Monday 2 <sup>nd</sup> March 2020	17:00 – 19:30	Nexus HQ	Audit & Risk
Monday 11 <sup>th</sup> May 2019	17:00 – 19:30	Nexus HQ	Finance & ICT
Tuesday 9 <sup>th</sup> June 2020	16:00 – 19:00	Crags Community School	Leadership Summit
Tuesday 21 <sup>st</sup> July 2020	17:00 – 19:30	Nexus HQ	Audit & Risk

**Minutes approved**

<b>CHAIR</b>	<b>SIGNATURE</b>	<b>DATE</b>
SUE SHELLEY		