



**Audit & Risk Committee Meeting**  
**Focus: Finance & ICT**  
**Monday 9<sup>th</sup> May 2022 at 17:00 – 19:30**  
**Via Teams**

<b>Directors present</b>		
Sue Shelley	Nexus MAT Director – Chair	SS
Steve Booth	Nexus MAT Director	SB
Naveen Judah	Nexus MAT Director	NJ
Rachel Potts	Nexus MAT Director	RP
<b>Also present</b>		
Warren Carratt	Nexus MAT CEO	CEO
Joel Hardwick	Nexus MAT Assistant CEO – Strategy & Partnerships	JH
Barry-John Simmons	Nexus MAT Clerk	Clerk
James Kelly	Advisor to Committee	JK
Karen Smith	Nexus MAT CFO	KS
<b>Apologies:</b>		
Ray Palmer	Nexus MAT Director	RPa
<b>No Apologies:</b>		

<b>1. WELCOME &amp; APOLOGIES FOR ABSENCE</b>	
<p>1.1. To receive apologies for absence</p> <p>The Chair passed on RPa apologies.</p> <p>SB gave apologies for next meeting in July.</p>	
<p>1.2. To accept apologies for absence</p> <p>Apologies were accepted for RPa.</p>	
<b>2. ITEMS OF URGENT BUSINESS</b>	
<p>2.1. Chair to determine any items of urgent business to be considered</p> <p>None.</p>	
<b>3. DECLARATION OF INTERESTS</b>	
<p>3.1. Individual Directors to declare any personal, business or other governance interests on any item on the agenda.</p> <p>None.</p>	
<b>4. AUDIT &amp; RISK COMMITTEE MEETING MINUTES</b>	
<p>4.1. To approve the minutes of the following meeting:</p> <p>SB asked for the title of section 4 to be changed Audit and Risk rather than Audit &amp; Finance.</p> <p><b>ACTION: Clerk</b></p> <p>SS will check with committee members if they prefer Teams or a Hybrid of Teams and face to face meetings at HQ.</p> <p>The minutes of the Audit &amp; Risk Committee Meeting held on 7<sup>th</sup> March 2022 were received and agreed.</p>	<b>CLERK COMPLETED</b>
<p>4.2. Review of Action Tracker</p> <p>The outstanding actions on the tracker were reviewed and updated.</p>	
<p>4.3. Matters arising from the minutes</p> <p>None.</p>	
<b>5. ITEMS TO BE CONSIDERED</b>	
<p>5.1. High Level 12-month delivery plan</p> <p>The CEO went through the planner and key milestones and confirmed an Internal audit took place on the 25<sup>th</sup> April and the report will come to directors once it was completed.</p> <p>The CEO also mentioned forthcoming reporting deadlines in May which included the end of year teacher pension certificates. KS confirmed all reporting deadlines are on track.</p>	

<p>The CEO suggested both himself and KS report together for the July meeting once KS is embedded in her new role.</p> <p>The CEO confirmed KS is looking at 3-year forecasting plans as part of annual budget setting.</p>	
<p>5.2. Record of Accounting Officer financial decisions</p> <p>The CEO gave an overview of where the Central Team or Headteachers had exemptions from the procurement process, were 3 quotes were not received and why that was the case. The CEO specifically mentioned PLMR being a specialist service pilot and also discussed an award for the Abbey build project and how DMBC had used their own provider framework, so Nexus didn't have to. The CEO recommended that establishing provider frameworks may reduce bureaucracy and be a good value for money option in the future for Trust procurement.</p> <p>SS asked was the new modular build procured through Doncaster Council? The CEO confirmed it was and that it had board approval due to the large cost.</p> <p>SS asked what was a "comms retainer"? The CEO explained it was related to working with a Public Relations company, and how this specialist service was being piloted for a year to hopefully raise to profile of Nexus and to share good news around successes at the Trust. The CEO confirmed there was a contract in place if any director wanted sight of it.</p>	
<p>5.3. Trust Budget Monitoring Report (<i>Mar 2022</i>)</p> <p>The CEO gave an overview of the report highlighting little change from previous reports notwithstanding the Schools Supplementary Grant (SSG) funding that had come through. The CEO explained how there should be a more stable ongoing budget in terms of where they want to be, along with a reduction in variability. The CEO also detailed the virement movement of reserve funds and explained how the decision to do this was made via the board of directors and how capital reserve will be built as a consequence.</p> <p>SB wanted clarification on page 2 regards the table on variation having no narrative around a 15k difference at Hilltop. The CEO asked KS to provide an explanation of this at the next meeting. <b>ACTION: KS</b></p> <p>SB asked for clarification of the £136k figure in the school fund figure table on page 4? KS explained it was a £4500 change since the budget was set.</p> <p>RP questioned the central trust figure on page 2 of £30,918 and what it related to? The CEO said it looked like a breakdown on budget allocation shifts.</p> <p>RP asked why Abbey had a variation due to an increase in income? KS confirmed there was a reduction of in year surplus due to the 125k pod capital investment.</p>	<p><b>KS</b> <b>11/07/22</b></p>

<p>RP asked if the number increase due to SSG is reflected in the forecasts? The CEO detailed how they have included the 1.25% costs already in forecasts but not utilities and SSG so far.</p> <p>JK asked how much of a concern are the current inflation rates along with increased energy and wider costs? The CEO confirmed they are confident they can absorb increased costs over the next 18 months, particularly with the SSG being in place alongside continued growth and investment. The CEO mentioned the more pressing issue is how the Green Paper will affect SEND schools.</p> <p>SB questioned the variation table on page 2 and wanted to check if they are looking for narrative when there is above a 1% change up or down or both? The CEO confirmed it was either way that narrative will be provided if the change was more than 1%.</p> <p>SB queried the revenue and asked what the Trust consolidated income referred to? The CEO explained it included everything that sat outside GAG funding. KS confirmed it was non-grant related income.</p> <p>SS also asked why the 2020/21 carry forward was greyed out on the table? SB mentioned they had discussed and decided to do this at a previous meeting.</p>	
<p>5.4. Internal Audit Report – Feb 2022</p> <p>The CEO gave detail of the BHP summary of findings. Within this the CEO disclosed 2 medium graded issues that had been flagged at Coppice and Hilltop and assured the committee they were being addressed. The CEO detailed how there had been a huge improvement in compliance and that the line management of the finance team set up has given the Trust a tighter grip of finance processes. The CEO also mentioned how the new CFO will be able to further review processes in due course with new Assistant CFO's also being in place. The CEO reassured the committee that any issues will always have a narrative and mentioned how the Bader practice was another area that had been addressed.</p> <p>SB commented on how pleased and impressed he was with the positive report and lack of areas that needed to be acted upon and the phenomenal progress he could see.</p> <p>SS expressed she was nervous that the Hilltop issue was reoccurring regularly. The CEO also reassured the committee that changes in January to finance staff at Hilltop should strengthen the picture in the next audit and that practice improvements at Hilltop would be more evident at that point.</p> <p>NJ also stated it was great to see the lack of adverse comments but gave pointers on how creditors and debtors were looked at and was disappointed that BHP had not undertaken sample testing in the creditors area. The CEO advised the internal audit programme for next year could include explicitly what Naveen had recommended and the new CFO could aid the finance teams understanding.</p> <p><b>ACTION KS</b> to transpose progress against improvement on the Internal Audit Action Tracker</p>	<p style="text-align: right;"><b>KS</b> <b>11/07/22</b></p>

## 5.5. SRMSAT

The CEO detailed the SRMSAT had been submitted in March as per the annual requirement to the ESFA, and that this was reported to Board before submission and has been referred to A&R for more detailed scrutiny. The CEO gave an overview of what underpins the statements.

SB asked why question 11 was not a simple Yes? The CEO confirmed it was because they had to select from a list of drop-down answers and the one selected was the best option.

SS also asked why it was "YES" on question 33? The CEO explained the reason behind this.

SS asked with regards to question 38 was nothing carried forward from current to future audits? The CEO confirmed there were no outstanding matters from audit reports to carry forward, as Directors have the audit tracker report.

The CEO explained JH is the executive lead on corporate governance and that if anyone had further questions regards governance JH would be the right person to consult.

## 5.6. ICT Information Governance and Strategic Update

### 5.6.1. Information Governance Strategic Framework 2021-2022 Document

JH detailed that the ICT Information Governance and Strategic Update was fairly quiet in practical terms other than how Nathan Bingham (who had joined Nexus recently) had been progressing well getting the team together as a central resource for all provisions.

JH explained how Code Green contracts at 2 schools had recently ended meaning a transfer to using the central functioning team, and how 2 engineers from schools had moved to the central team which would help continue new systems being put into place. JH mentioned new employees and their positive start and how Linford Njie had now left Nexus. JH also detailed how their current capacity could cover the new schools that were joining Nexus which would also mean a saving in budgets on ICT.

JH went on to explain that schools had now moved over to BROMCOM, and that there were a couple of timescale issues with Discovery but they were still fine for a September opening. JH also detailed that an audit had been undertaken at Harlow & Beech and that it should be a straightforward transition for the schools.

SB asked what the trust wide timescale was for a team to be in place? JH explained they were aiming for it all to be settled by September.

RP asked for clarity on Linford's position and why they are not recruiting a replacement? JH explained how the 2 school-based engineers coming over to the central team are more than capable of handling what they need and how the new structure will give flexibility to add to the team if required in the future.

<p>SS asked if they could have another report from Nathan showing where they are moving in the next few years for benchmarking purposes and to aid them to provide a challenge?</p> <p>The CEO stated that the asset strategy report and collaborative school framework would be the best place to integrate the ICT information required and that performance indicators for 2021/22 would be included.</p> <p>SS agreed it made sense to cover it there. JH said they could also look at performance indicators for 2022/23 in the autumn term meetings and that Nathan Bingham will be working on this during the current summer term.</p> <p>SB commented that as this is an audit &amp; risk board, should they focus on a wider report whilst not being sure on the differentiation between what the committee and board receive? The CEO confirmed he sees the detail every day, and explained the need to be mindful that due to the growth of trust, not to report too much detail. The CEO recommended due to this growth, detail for directors could be streamlined and refined for the committee.</p> <p>SB wanted to be sure they can make a critical challenge. The CEO explained they are covered by internal and external audit and that JH can share highlights from these with directors around ICT so they get the necessary assurances.</p> <p><b>ACTION: JH</b> inclusion of external review for strategic governor’s plan.</p>	<p><b>JH</b> <b>11/07/22</b></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>KS confirmed she will look at management reports and the balance of what is covered when the new team is embedded.</p> <p>The CEO asked the committee to agree on next year’s committee meeting dates.</p> <p><b>All of the committee agreed to next year’s meeting dates.</b></p> <p><b>ACTION: Clerk</b> to ask clerking services to send Nexus HQ/Teams invites for 2022/23 meetings.</p>	<p><b>CLERK</b> <b>COMPLETED</b></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>None.</p>	
<p>7.2. To consider any area new risks identified during the meeting</p> <p>Risks identified will be discussed at the next meeting.</p>	
<p><b>8. DATES OF NEXT MEETINGS</b></p>	

Monday 11 <sup>th</sup> July 2022	17:00 – 19:30	MS Teams	Audit & Risk
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**Minutes approved**

<b>CHAIR</b>	<b>SIGNATURE</b>	<b>DATE</b>