



Audit & Risk Committee Meeting
Focus: Audit & Risk
Monday 11th July 2022 at 17:00 – 19:30
via Teams

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

1. WELCOME & APOLOGIES FOR ABSENCE	
1.1. To receive apologies for absence Apologies were accepted for SB.	
1.2. To accept apologies for absence Apologies were accepted for SB and NJ.	
2. ITEMS OF URGENT BUSINESS	
2.1. Chair to determine any items of urgent business to be considered None.	
3. DECLARATION OF INTERESTS	
3.1. Individual Directors to declare any personal, business or other governance interests on any item on the agenda. None.	
4. AUDIT & RISK COMMITTEE MEETING MINUTES	
4.1. To approve the minutes of the following meeting: SS clarified with members that they will do committee meetings via Teams going forward. SS asked about page 6 and whether JH was going to pick up on the ICT highlights. JH confirmed he will look at this during the wider MAT review later in the year The minutes of the Audit & Risk Committee Meeting held on 9 th May 2022 were received and agreed.	
4.2. Review of Action Tracker The outstanding actions on the tracker were reviewed and updated.	
4.3. Matters arising from the minutes None.	
5. ITEMS TO BE CONSIDERED	
5.1. High Level 12-month delivery plan KS gave an overview of what actions had been completed and explained how they were all up to date or in the pipeline of being completed. SS asked what section 26.7 referred to? KS confirmed it related to the Budget Forecast Return. SS also wanted clarification regards 31.7 and the CEO confirmed it was related to union related matters that HR dealt with. RP asked JH about the Health and Safety audits and if they were all up to date after COVID? JH confirmed they were up to date.	

5.2. April 2022 Internal Audit Report

KS reported the internal audit visit in April which focussed on payroll was very positive. KS mentioned two medium-level recommendations, with the first being that every month 2 assistant CFOs had to sign off reconciliations. KS said BHP raised no concerns with KS and a deputy checking this quarterly going forward. KS also detailed the 2nd recommendation being linked to non-contractual severance payments, whereby they had to ensure documentation via HR had been formally provided. The CEO clarified what was needed in terms of an audit trail with this process via HR.

KS mentioned other points from the audit included looking at previous recommendations.

SS asked about the 3 employees per school sample and certain contracts being highlighted as out of date. The CEO explained the difficulty regarding the specific examples at Bader and Hilltop and how HR were working with office managers to keep on top of it.

JK asked about the severance payments mentioned on page 9 and what they were for? The CEO explained how they capture a payment in lieu of notice (PILON) and that severance agreement protects them legally. The CEO gave a specific example of a severance package that accounted for a third of the cost.

5.3. Audit Action Tracker

KS explained she had added one extra row in the tracker chart due to the purchasing recommendation from the internal audit. KS explained the process with school teams to avoid issues being raised in this area and how they are looking at procurement in more detail to help with this.

RPa asked if they could keep this on review as procurement had been flagged on a number on occasions. KS was happy to do this and agreed to look at internal controls and assured the committee that they had the capacity as she becomes full time and has a deputy in the finance team to catch errors earlier.

RPa asked can we look at it in 6 months as it's come up so regularly. JH mentioned Lana Stoyles starting as a procurement lead and the process Gillian Askew is involving the Trust in regards procurement will also give the Trust more ongoing assurances.

5.4. Trust Risk Register

The CEO asked for any questions.

SS wanted the CEO to point out any changes? The CEO clarified how green signified updates and then went through them fully one by one, including reasons for changes in risk ratings. The CEO confirmed how COVID was still was the biggest risk to attainment.

SS asked do we still have a problem where children still don't come back to school? The CEO mentioned there were only a handful of examples of this and gave reasons for those at particular schools and how they had workable solutions in place for those children.

<p>5.5. Finance Risk Register</p> <p>KS discussed changes which included the growth in their accountancy resource and how they are making themselves resilient to staffing change, whilst providing greater information when people join to understand how the Trust finance operates. KS explained they have moved to using the Access finance system rather than individual excel sheets so she has a better overview and more efficiency in how things operate. KS also discussed that they would be looking at a new finance system for next year.</p> <p>KS mentioned pay award increases as another risk.</p> <p>SS commented that transparency was highly important.</p> <p>SS asked about number 4 around Fraud and if there were any examples in other Trusts to avoid that we can learn from? KS agreed this was a good point and she hadn't seen any examples.</p>	
<p>5.6. 2022-23 Trust Budget</p> <p>KS took the committee through the report.</p> <p>KS explained the process with each individual school and detailed how the balance on conversion from Fountaindale and Beech skewed the figures in 2022-23. KS detailed the surplus year on year, including those schools with-in year deficits. KS then highlighted the positive carry forward revenue position at the end of 2022/23 for each school and how it increased over the 3-year period.</p> <p>KS went on to clearly highlight the central budget figures without grants and new schools joining and explained the assumptions they are based on.</p> <p>The CEO reiterated how it is prudent to plan for future growth the year after next. The CEO wanted to also mention the funding brought over from Fountaindale and Beech needed to be looked at carefully by the Board.</p> <p>KS continued to discuss the assumptions around grants / funding and pupil numbers related to the new schools joining the Trust. KS also discussed assumptions including utility costs, teacher pay awards and the Fountaindale teaching assistants moving onto Nexus term-time contracts in September 2023.</p> <p>KS highlighted the risks around pupil numbers and how they are actually more positive than listed. KS explained West Riding was not included in the figures provided as it was an independent school. KS finally discussed the range of capital items and projects.</p> <p>SS thanked KS for the thorough report and for answering all her questions within her summary.</p> <p>RP asked about the process with schools and if all Headteacher's are happy and accepting of the budgets. The CEO explained they are not authorisers in this process but they are aware of pressure points regards budgets and any specific forecast deficits.</p>	

<p>JK asked about energy bills and how it effects schools? The CEO said it was difficult to pinpoint, though the Schools Supplementary Grant award had helped offset the increased costs. JK asked is there a likely amount for the rise in the future? The CEO explained it is different school to school and wanted to re-assure the committee they have funds and support in place to cover the issue.</p> <p>KS asked would headline figures for utility costs last year to this year give the committee a better gauge of what is being spent? JK replied he was happy for it to be monitored going forward.</p>	
<p>5.7. ESFA 3-Year Budget Forecast Return</p> <p>KS explained she covered the detail in the 5.6.</p> <p>The CEO asked if the committee were happy to approve that the Trust Budget had passed through scrutiny when discussed at the next TBoD meeting</p> <p>All committee voted to confirm that the Trust Budget had been fully scrutinised before discussion at TBoD.</p>	
<p>5.8. Record of Accounting Officer financial decisions</p> <p>SS mentioned that AC had asked where and what the Broadfield building was?</p> <p>JH confirmed it's a space that will be part of the post 16 solution for Becton and is a new classroom space for September, to go alongside that at Whirlow Farm.</p> <p>The CEO explained what the 53k expenditure for Elklan involved.</p>	
<p>5.9. Audit & Risk Committee Conclusions Report Academic Year 2021 – 2022</p> <p>The CEO explained what the report summarised and the reason for it and asked if SS was happy with this before it would be presented to the Board.</p> <p>SS commented on how it was a great summary as did RPa and RP.</p> <p>SS also mentioned that it provided a good reminder of what would be involved in the role of Chair of the committee and reminded members that if anyone was interested in taking the Chair role after her she would be happy to speak to them directly. SS asked was it at the next board meeting for nominations? The CEO confirmed this was the case.</p>	
<p>5.10. Competent Person - termly update report</p> <p>JH detailed how it was a fairly straightforward update from the last meeting and how they had received good feedback from ProAktive and were on track and where scheduled to be in the majority of instances.</p> <p>JH mentioned how the chart and text didn't match at Harlow because they had only just been added to the Portal and that the text had not yet been accurately reflected in the chart. JH also gave updates on specifics, such as the fire-doors required at</p>	

<p>Kenwood and Moncrieff and how bespoke frames were needed which were scheduled for October half term due supply issues. JH also flagged that at Coppice, Ash Hill secondary school next door had undertaken building work that had presented a potential security issue which ProAktive were looking at today to see what was required.</p> <p>RP complimented JH on how schools were acting quickly on actions and asked how will they keep the momentum going. JH confirmed the ProAktive process will continue and Lana will pick this up alongside contract management.</p> <p>RPa complimented JH on the encouraging report but asked if the High/Medium/Low risk pie chart could be re-introduced as a useful overview. RPa also asked about the timings of the audits, so in future they could be completed before Audit meetings for fresh data and information purposes?</p> <p>SS also asked where could she find the severity of actions? JH ws happy to include that in future reports and will ask Emma Heyes / Lana to arrange future audits prior to Audit and Risk Meetings.</p> <p>ACTION JH</p> <p>JH confirmed the asset management company that had been chosen and how they were excellent during the selection process and had great experience and references that highlighted a really strong track record.</p> <p>RPa asked are they able to help with SIP funding and safety requirements reported in inspections? JH confirmed they can work alongside ProAktive.</p>	<p>JH 10/10/22</p>
6. ANY OTHER URGENT BUSINESS	
6.1. To consider any other urgent business agreed by the chair	
None.	
7. CONFIDENTIALITY & RISK	
7.1. To consider the confidentiality of any items discussed during the meeting	
None.	
7.2. To consider any area new risks identified during the meeting	
None.	
8. DATES OF NEXT MEETINGS	

Monday 10 th October 2022	17:00 – 19:30	MS Teams	Finance & ICT
Monday 14th November 2022	16:00 – 17:00	MS Teams	Pre-mtg with Auditors
Monday 14 th November 2022	17:00 – 19:30	MS Teams	Audit & Risk
Monday 6 th February 2023	17:00 – 19:30	MS Teams	Finance & ICT
Monday 6 th March 2023	17:00 – 19:30	MS Teams	Audit & Risk
Monday 8 th May 2023	17:00 – 19:30	MS Teams	Finance & ICT
Monday 10 th July 2023	17:00 – 19:30	MS Teams	Audit & Risk

Minutes approved

CHAIR	SIGNATURE	DATE