



Audit & Risk Committee Meeting
Focus: Finance & ICT
Monday 10th May 2021 at 17:00 – 19:30
via MS Teams

Those Present:		
Sue Shelley	Nexus MAT Director – Chair	SS
Steve Booth	Nexus MAT Director	SB
Warren Carratt	Nexus MAT CEO	CEO
Joel Hardwick	Nexus MAT Assistant CEO – Strategy & Partnerships	JH
Naveen Judah	Nexus MAT Director	NJ
James Kelly	Advisor to Committee	JK
Ray Palmer	Nexus MAT Director	RPa
Rachel Potts	Nexus MAT Director	RP
Cath Sands	Nexus MAT CFO	CFO
Emma Sheedy	Nexus MAT Clerk	Clerk
Apologies:		
No Apologies:		

1. WELCOME & APOLOGIES FOR ABSENCE	
1.1. To receive apologies for absence The Chair advised that NJ and JK would be joining the meeting late.	
1.2. To accept apologies for absence None.	
2. ITEMS OF URGENT BUSINESS	
2.1. Chair to determine any items of urgent business to be considered There were no items of urgent business to consider.	
3. DECLARATION OF INTERESTS	
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.	
4. AUDIT & FINANCE COMMITTEE MEETING MINUTES	
4.1. To approve the minutes of the following meeting: The minutes of the Audit & Risk Committee meeting held on 8 th March 2021 were reviewed and approved.	
4.2. Review of Action Tracker The outstanding actions on the tracker were reviewed and updated.	
4.3. Matters arising from the minutes The Chair referred to when near misses will start to be recorded on the new system, and agreed to raise this at the next meeting. ACTION 1: Chair to follow up at the next meeting regarding the recording of near misses on the new system. The Chair queried release of the Financial Procedures Manual and the CFO advised it is still in draft but hopes to release this to all schools around the end of the month. ACTION 2: Chair to follow up the release of the Financial Procedures Manual.	CHAIR 19/07/21 CHAIR 19/07/21
5. ITEMS TO BE CONSIDERED	
5.1. High Level 12-Month Delivery Plan The CFO provided an overview of the High Level 12-month Delivery Plan and asked if the reviewed format was acceptable, which Directors advised it was. RPa queried the multiple H&S Audits and the CFO advised this was not her area of expertise but she believes all schools have two audits; a full audit followed by an interim audit. RP queried the June entry - Annual Report of Committees Conclusions and there was a lengthy discussion regarding this. It was agreed the draft would be tabled at the	

next A&R meeting, then received at the July TBoD and presented to the Members AGM in January 2022. The CFO/CEO will further discuss this offline.

[NJ joined the meeting at 17:17]

SB queried what definition of SRMAT and the CFO advised Schools Resource Manager Assessment Tool.

5.2. a Trust Budget Monitoring Report (March 21)

The CFO provided an overview of the Monitoring Report.

SB queried the variance for Central Trust in Table 1.3. and the CFO explained about the Trust employing the services of two consultants to lead on discrete pieces of work. These are new commissions that have been determined mid-year, and therefore did not feature at the budget setting in the summer of 2020. The CFO predicted an in-year surplus of around £1-3k.

SB queried item 3.1.1. and when Craggs might return to a budget surplus position and the CFO advised correspondence has been received from the ESFA explaining how the national funding formula (NFF) will affect Craggs but there are around seven less pupils. This will become clearer at the budget setting stage in June.

RP queried item 3.1.2. regarding Hilltop and the CFO confirmed Hilltop are now in a surplus position.

The CFO shared an update with Directors regarding a new reporting prototype, which will be presented at the July meeting.

5.2. b Directors received the March Consolidated Monitoring Reports.

5.2. c Directors received the March Cashflow Forecast.

5.2. d Balance Sheet

NJ sought assurance from the CFO that on a regular basis, the net book value of tangible assets is reconciled to the fixed assets and the CFO provided context regarding this and advised the fixed asset register is adjusted at the year-end. **NJ volunteered to review the adjustment values at year-end.**

NJ requested a backup schedule of debtors > 60 days and the CFO agreed to do this via her report commentary. The CFO provided input regarding income from funding packages.

NJ sought assurance that the closing balances for each school of the cash flow forecast equal the values on the balance sheet and the CFO advised no, because this is cash in bank and in hand and takes into account all petty cash across all of the Trust, so reconciling items need to be considered.

NJ queried 30-day creditor reports and the CFO provided reassurance regarding this and explained about the requirement to publish the 30-day report from April 2022.

5.3. Internal Audit Report – Feb 2021

[JK joined the meeting at 18:00].

Directors received the February 2021 Internal Audit Report, which the CFO overviewed for Directors.

RPa queried the observation expenditure – school by school and asked for more information regarding the training programme and the CFO provided context and explained about a bespoke training programme, which will be delivered by the Finance & Compliance Officers. **RPa further queried if the sign-off/authorisation process is included within the Financial Procedures Manual** and the CFO advised it is.

The CFO commended the internal audit process, undertaken for the first time by BHP since their re-appointment as internal auditor.

5.4. School Resource Management Self-Assessment Toolkit (SRMSAT)

The CEO provided context regarding this and the CFO provided an overview of each academy as follows:

ABBEY – Pupil/Adult ratio is high, as this is skewed by Abbey employing their own cleaning team rather than outsourcing this service. This makes the Pupil/Adult ratio higher but has no effect on the Pupil/Teacher ratio.

BADER – As these figures have been produced on the March predicted outturn, the school are still predicting the outturn for energy will be on budget, as they have not received the first quarter energy bills for the new school. This budget had been set initially on the prudent model of forecasting, so it is anticipated that this figure will reduce back to broadly in line with other schools. Senior Leadership is also high but this red flag is not a surprise to the Trust or the school as Bader have recently appointed a Head of School alongside 3 Assistant Heads and an Executive Head, which is apportioned 80% to the Bader budget for Y1 of the school's opening).

BECTON – Becton have a high staff retention so they have an established workforce who in many cases are at the top of their paygrade, with many teachers on UPS3.

COPPICE & HILLTOP – Both schools have had an extraordinary large spend in the Teaching Support Staff area during this year due to the amount of supply staff that have been required in this area for COVID related absence cover. This had already been identified earlier in the year through the monthly monitoring process and this spend has already been addressed to arrest the spike.

HEATHERWOOD – 'Other' staff costs incorporate the bespoke healthcare workers that Heatherwood employ. It would appear that the schools that Heatherwood are being benchmarked against would recognise these staff in admin expenditure as a bought in professional service rather than staff, hence this budget line is skewed. Heatherwood are also showing a high expenditure for energy, which has already been highlighted by the Central Trust and steps are being taken with an energy consultant to change to a more suitable contract in order to make savings in this area.

<p>PENNINE VIEW – Premises spend is high – the sort of activity in this area covers cleaning, caretaking and ground maintenance contracts. The Trust are not unduly concerned about spend in any of these areas so this will be looked into more to understand if the contracts can be amended in order to achieve savings.</p> <p>CRAGS – Spend on Premises is high in this area is due to the school being a PFI school and the limitations of the SRMSAT to recognise this and benchmark accordingly. Crags are also showing a high expenditure for energy, which has already been highlighted by the Central Trust and steps are being taken with an energy consultant to change to a more suitable contract in order to make savings in this area. The pupil to adult ratio and the pupil to teacher ratio for Crags are showing as being higher than average. This would be attributed to the school having peripatetic teachers, but this is the right model for Crags and the outcomes for the children at the school.</p> <p>SB asked if LGBs receive sight of the SRMSAT and the CFO advised no, LGBs received the ICFP.</p> <p>It was agreed the Clerk would re-upload the reformatted report, to include Crags. This has been dealt with.</p>	
<p>5.5. ICT Information Governance and Strategic Update</p> <p>5.5.1. Information Governance Strategic Framework 2020-2021 Document</p> <p>JH provided an overview of the ICT Information Governance and Strategic Update and Directors commended the revised format.</p> <p>RP queried the external review of ICT and if anybody has been appointed and JH advised no and provided an update regarding this.</p> <p>SB asked for an update regarding the data breach and JH provided this. The Chair asked what the learning is from this and JH explained systems/processes have been reviewed including the business support function. Both the Chair of the Board and the Chair of this Committee have been copied into the CEO response to the Information Commissioner’s Office, who wrote to the CEO to seek assurances of the steps taken in response.</p>	
<p>6. ANY OTHER URGENT BUSINESS</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>7. CONFIDENTIALITY & RISK</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>Risks identified will be discussed at the next meeting.</p>	

8. DATES OF NEXT MEETINGS

Monday 19 th July 2021	17:00 – 19:30	Nexus HQ	Audit & Risk
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Minutes approved

CHAIR	SIGNATURE	DATE