

**Minutes of the Audit & Risk Committee meeting held
on Tuesday 9 October 2018 at 5.30pm at Retford Oaks Academy**

Membership			
A = absence	Governor name	initial	Academy
	Mr M Quigley (chair)	MQ	Retford Oaks Academy (ROA)
A	Mrs K Mitford	KM	National C of E Academy (NCEA)
A	Mr T Hill	TH	Tuxford Primary Academy (TPA)
	Mrs P Bryn-Jones	PBJ	Retford Oaks Academy (ROA)
	Mr G Gadie	GG	Retford Oaks Academy (ROA)
A	Mr S Jones	SJ	DAT Trustee
	Mr I Storey	IS	DAT Trustee
A	Mr P Mabbott	PM	DAT Trustee

In attendance:

A = absence	Staff/in attendance	Initial	
	Mrs A Elway	AKE	Company Secretary and Clerk
	Mr C Pickering	CBP	Chief Operating Officer
	Mr G Corban	GCO	Chief Operating Officer
A	Mr S Lowe	SL	Senior Finance Manager
	Mrs K Bonser	KBn	Business Development, Projects and Standards Manager
	Mrs A Younis	AY	Group Financial Controller
	Mr J Creed	JC	ICCA Auditor

Item No	Item	Action by who when
AC/01/1819	Welcome from chair Attendees were advised that recently appointed Trustees, Mr Storey and Mr Mabbott will be members of this committee. Mr Mabbott was unable to attend this meeting due to other commitments. Introductions were made.	
AC/02/1819	Apologies for absence Apologies for absence were received and approved from Mrs Mitford due to holidays, Mr Hill and Mr Jones due to work commitments and Mr Lowe due to other commitments.	
AC/03/1819	Declaration of interest and any changes made to existing declarations There were no declarations of interest, either direct or indirect, for any items of business on the agenda. There were no declarations to update.	
AC/04/1819	Overview of internal audit reviews undertaken: All reviews had been received. Mr Creed paid particular attention to: 1. Corporate Governance Review The audit had been undertaken to ascertain if governors at academies where Governor Mark has, or is due to expire are at the same standard that they were when they had achieved the award (Tuxford, National, Tuxford	

	<p>Primary) and then benchmarked with an academy where governance was perceived to be weak (Samuel Barlow)</p> <p>A substantial audit opinion had been given with 1 low and 2 advisory actions. All 3 are being addressed. Attendees commented that the responses from Tuxford Primary suggested they did not see the benefit of being in a MAT. Staff suggested that this might change in the near future.</p> <p>The decision whether academies who have Governor Mark will be asked to reapply will be deferred to the DALP Board meeting on 17 October.</p> <p>2. Financial Planning and Reporting Framework (sent to ESFA)</p> <p>Mr Creed advised that as an 'advisory report' no assurance conclusion had been given but there had been 3 advisory recommendations. Staff acknowledge there is still more work to do and the report recognises the ongoing changes that are being made. Within the report key areas were noted:</p> <ul style="list-style-type: none"> - The end of year balance, whilst still in deficit was significantly better than the forecast deficit when the review was undertaken - Work to prepare 2018/19 budgets had started in the summer term - A new model is in place which charges out central costs however it was acknowledged that there is more work to be done to refine the model to account for individual academy variances - Due to the large variances between two financial years it is recommended that assumptions are looked at and a 'what if' sensitivity analysis conducted. - The ESFA expects that the Board will have signed off the budget and whilst Trustees had had sight of it they had been approved subject to certain actions which had not been formally recorded as being received. <p>Following queries from Mr Quigley, Mr Corban advised the cycle for setting budgets for 2019/20 will start a lot earlier. Cost saving measures will have to continue but early identification of issues will be highlighted in management accounts. Mr Quigley was pleased that monthly reports will be produced against outturn.</p> <p>Mr Corban confirmed that early indications are that the budget is on track for month 1.</p> <p>Tuning to page 6, Mr Quigley asked if the Primary figures shown are representative of their expected outturn now. Mr Corban confirmed that all academies breakeven as the central contribution rate was adjusted to enable this to happen. The contribution formula needs to be addressed as currently primaries and secondaries are costed the same and it doesn't take into effect:</p> <ul style="list-style-type: none"> - that each academy is not funded the same per pupil - Academies where pupil numbers are growing - Any additional resource needed for specific issues/projects <p>In response to a question Mr Corban acknowledged that the central charge had not previously been transparent but it will be going forward. Mr Pickering confirmed that finance managers will be able to prove to academies that their per pupil funding has increased as non-teaching functions are tightened/shared. Mr Corban confirmed that GAG will not be pooled but 'shared costs' will be made proportionally. All academies must</p>	
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	<p>review any roles that may be duplicated across the group to ensure that value for money is received.</p> <p>Mr Gadie and Mrs Bryn-Jones confirmed that they received much better and relative information at their academy F&R meetings and acknowledged how much better reporting has been in the last 12 months.</p> <p>Mr Storey questioned if there was still duplication of roles in academies and the central team. Mr Pickering advised there has been significant moves to eradicate this but there is still work to do and structure models are being looked at in a 3-year plan.</p> <p>Mr Corban advised that Corporate/Academy and Education and Business functions cost £12m of the total budget and this needs reducing by £2m.</p> <p>3. GDPR Internal Review</p> <p>A verbal summary of the audit had been given at the last meeting. There had been 3 medium risks identified within an overall substantial assurance audit. Referring to these Mrs Elway confirmed they had all been addressed.</p> <p>There were no questions with any of the audit report findings.</p> <p>The agenda was taken out of order</p>	
<p>AC/05/1819</p>	<p>Updated Internal Audit Plan for DALP</p> <p>The schedule of 2018/19 visits had previously been received with 22 days proposed during the year. Audits will include:</p> <ul style="list-style-type: none"> - Key Financial Controls at ELA/ROA/WPA - FAR review as requested at the last A&R meeting - GDPR to check ongoing compliance following the last pre-implementation audit - Procurement, value for money and best value - Role of the Accounting Officer which will give Mr Pickering, as AO assurance that he is complying with his heightened role within the Academies Financial Handbook - Follow up to the IT Data Security audit completed last year. <p>Mr Corban confirmed that systems are much more secure now that the network has moved from Notts CC however, there has been an increase in spurious emails being received which are being monitored.</p> <p>Mr Storey asked how committee members received confirmation that recommendations made in audits had been dealt with. Mrs Bonser advised that executives will feedback each term in their report.</p> <p>Attendees confirmed approval with the number of days and audits that will be undertaken in this academic year.</p> <p>Mr Creed was thanked for his reports and feedback and he left the meeting.</p>	
<p>continued AC/04/1819</p>	<p>The meeting agenda reverted</p> <p>Overview of internal audit reviews undertaken</p>	

	<p>4.4 GDPR Internal Review</p> <p>The summary of the internal GDPR Audits carried out by the central GDPR team at each academy during the summer term was received. Attendees were advised that WGHS and TA will have another audit in 6 months' time. As well as the ICCA scheduled audit to look at Trust compliance, internal audits will take place again in the summer term. It was noted that there needs to be a balance to reducing reputational risk and the cost of something going wrong with the costs of doing the compliance checks.</p> <p>Mr Pickering enquired what the consequences are of academies not complying with the GDPR advise put in place. Mr Corban advised that this will be picked up in CSI meetings with capability processes undertaken for persistent non-compliance.</p> <p>4.4 Update on Safeguarding Reviews</p> <p>Mrs Bonser advised that annual reviews are halfway through. She was pleased to report that there has been a dramatic improvement seen from the ones carried out last year and a summary of findings will be received at attendees request at the meeting on 4 December. During a discussion attendees asked if DBS checks would stop a major incident as seen occasionally in the press. It was confirmed that checks are only good on the day they are taken however the culture and training of raising concerns and adding them to MyConcern, the diligence of Designated Safeguarding Leads (DSLs) in each academy and the process that has embedded will hopefully ensure that any risks are mitigated as much as they could ever be.</p>	<p>KBN Agenda 4/12</p>
<p>AC/06/1819</p>	<p>Risk Management Summary of over-arching risks & plans to mitigate</p> <p>Mrs Bonser advised there had been little change to the risks advised at the last meeting other than including Retford Post 16 as requested at the meeting. Referring to the report she advised:</p> <ul style="list-style-type: none"> - that the impact of ICT Security and GDPR might be reduced after the next audits have been completed - QEA boiler is a work in progress - The Apprenticeship Levy stands at £180k with £12k being added each month and only £3k being used. Training Plans are being submitted to her for the 2018/19 year and it is hoped that c£170k will be able to be claimed from the levy. <p>The high risks identified at each academy were included in the report as was the cumulative DALP Risk Register. The only risks that had got worse since June 2018 are Estates and Facilities Management and the new MAGA (Management Agreement) for Retford Post 16 Centre.</p> <p>Appendix 2 gave a summary of Academy Risk Registers within the 9 control areas. Following questioning, Mrs Bonser advised that judgements are made by the Principal and AOM at each site as to how they view each risk in consultation with their SEL. Each academy report is received at LAB F&R meetings. A discussion was held acknowledging that scores are subject to staff perception and risks may be mitigated differently at each location. Mrs Bonser advised she has regular meetings with Risk Champions and there are a number of control stages that staff undertake before the results are arrived at. She advised she will be conducting internal reviews to check consistency as some may be marking high or low and therefore it's possible the scores are skewed.</p>	

	<p>Mr Pickering advised that he has some areas of concern regarding the answers for some of the questions and he will pick this up separately.</p> <p>Attendees agreed that he had to be assured that risks are correctly identified and when Mr Pickering's review has taken place they may want to escalate any risks that they would like investigating.</p>	
AC/07/1819	<p>Minutes of the meeting held on 26 June 2018</p> <p>The minutes of the meeting, having previously been received were agreed and signed by the chair.</p>	
AC/08/1819	<p>Matters arising</p> <p>AC/48/1718 5 year capital plan priorities – 3 documents attached</p> <p>Mr Corban advised that the QEA boiler replacement is a priority and is likely to need replacing before the next round of SALIX loans are available. Replacement has gone to tender and staff are investigating if the QE Endowed Trust would pay for or contribute to the cost.</p> <p>Estate surveys have been carried out with a worst case scenario to undertake identified work of £3m. First Planner are being used to check space utilisation including Section 106 and SALIX funding opportunities.</p> <p>AC/48/1718 Retford Post 16 Update Confidential minute</p> <p>AC/48/1718 Risk Management – confidential minute Confidential minute</p> <p>AC/51/1718/AC/37/1718, AC/20/1718 Dignity at Work policy</p> <p>Mr Corban advised that there is not a specific Dignity at Work Policy as it is woven into other policies.</p> <p>Mr Quigley enquired if the Trust had a Wellbeing Strategy. Mr Corban confirmed that it does and the new policy and strategy is being rolled out to staff. A Wellbeing Champion has been appointed in each Academy.</p> <p>AC/53/1718 Delegated responsibilities</p> <p>Mr Corban advised that the updated document is in the final stages of review and will be presented at the next meeting.</p> <p>AC/53/1718 LGPS/Investment & Reserves/Charging & Remissions/Finance Manual</p> <p>Mr Corban confirmed that the above policies are on the agenda for the Board to approve at its meeting on 17 October. Any issues regarding non-compliance of these policies will be reported to this committee for monitoring.</p>	Agenda 4/12
AC/09/1819	<p>External audit planning timetable (attached)</p> <p>A timeline for Audit completion had been received. Mrs Younis advised that the fieldwork will be completed at the end of October.</p> <p>Following questions, attendees received confirmation that the finalised Accounts for both Trusts will be ready for presentation to the meeting on 4 December 2018.</p>	

AC/10/1819	<p>Removable device update Mr Corban reminded attendees of previous discussions regarding removal of the use of external devices. He confirmed that all staff now have remote access to servers although some training is needed to ensure all are confident they can work effectively. It has been agreed that all Primary academy usage will be blocked at October half term with a December deadline for all Secondaries. Mr Quigley asked if staff can download and print from servers. He was advised that they can.</p>	
AC/11/1819	<p>Cyber Security Checklist Mr Corban confirmed that more encryption is needed on devices however this is not possible until Windows 10 has been uploaded to all and this brings a significant monetary and time cost which will need to be factored into budgets. Attendees questioned if staff can only access servers remotely on work devices. They were advised that they can access Sharepoint from any device and can download stored information. Mr Corban confirmed that contracts, policies (Disciplinary/IT Security etc) advise how staff should treat data and training is given. Following questions, he confirmed he would ask Head of IT to draw up a timeline to complete this. However, there is a need to ensure that staff can do their job versus the cost of the risk. Mr Quigley reiterated that there must be a point when staff are stopped from using external drives and plugging these into work devices, However, the Committee agreed they are satisfied that steps are being made to mitigate this.</p>	GCO – PRN - agenda
AC/12/1819	<p>Fixed Asset Register Mrs Younis advised that Fixed Asset registers are now in place Mr Quigley asked if she was now confident that all high risk and valuable items are recorded and she knows where they are located who has them. She confirmed this and advised the process of purchasing and disposal of items is much tighter in each finance team and there will be continuous tracking. Mrs Bonser confirmed that this will be checked within ICCA audits. Mr Gadie confirmed he was pleased that someone has now taken ownership for this and the steps that have been taken.</p>	
AC/13/1819	<p>AOMG (Accounting Officer Management Group) meeting minutes - fraud related/ - health & safety - safeguarding issues to bring to committee's attention A copy of the Accounting Officer meeting schedule and minutes of the first meeting held on 17 September had been received. These were given as an example to assure attendees of the rigour that will now take place. Finance & Resources Committee is also receiving the same documents and each committee will be advised if there are specific areas of concern pertaining to the committee.</p>	

	In response to a question Mr Pickering confirmed there were no issues to bring to the committee's attention.	
AC/14/819	Date and time of next meeting: It was agreed that all meetings will start at 5pm and will be held at Retford Post 16 Centre Tuesday 4 December at 5pm– auditors and Trustees attending Tuesday 26 March 2019 at 5pm Tuesday 25 June 2019 at 5pm	
AC/15/1819	Determination of confidentiality of business and Equality Act consideration Governors considered whether anything discussed during the meeting should be deemed as confidential and whether during their discussions any equal opportunities issues have arisen. It was Resolved That the two discussions within AC/08/1819 should remain confidential to attendees.	
	The meeting closed at 7.20pm Signed.....(chair) Date.....	