

**Minutes of the Audit & Risk Committee meeting held
on Tuesday 26 March 2019 at 5.00pm at Diverse Education Centre**

Membership			
A = absence	Governor name	initial	Academy
	Mr M Quigley (chair)	MQ	DAT Trustee & Retford Oaks Academy (ROA)
	Mrs K Mitford	KM	Chair 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
	Mr P Mabbott	PM	DAT Trustee

In attendance:

A = absence	Staff/in attendance	Initial	
	Mrs A Elway	AKE	Company Secretary and Clerk
A	Mr C Pickering	CBP	Chief Operating Officer
	Mr G Corban	GCO	Chief Operating Officer
	Mrs K Bonser	KBN	Business Development, Projects and Standards Manager
	Mr J Creed	JC	ICCA Auditors

Item No	Item	Action by who when
AC/26/1819	Welcome from chair Mr Quigley welcomed attendees to the meeting.	
AC/27/1819	Apologies for absence Apologies for absence were received and approved from Mr Hill due to work commitments and Mr Pickering and Mr Jones due to illness.	
AC/28/1819	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/29/1819	Internal Reviews and Audits – previously received and on Sharepoint: Mrs Bonser and Mr Creed advised members of the outcomes of the audits since the last meeting: - IT (Draft report attached) Updated report has moved assurance from limited to reasonable. 10 recommendations were followed up from the previous audit with 3 being fully implemented, 5 partially implemented and 2 not implemented. Management responses are awaited from Pete Richardson. Mr Quigley enquired when the non-compliant ones will be dealt with and Mrs Bonser confirmed that she will ensure timescales are included in Mr Richardson's response. - 3 x financial processes (report yet to be received) review of NCEA yet to be completed	KBN

	<p>ELA – 1 minor recommendation for staff to look at the feasibility of using a secure carrier firm to take money to the bank rather than staff doing this</p> <p>ROA – no recommendations</p> <p>WPA – 1 recommendation to ensure a POA has been completed in advance of a credit card being used. Transaction reviewed was low level.</p> <p>NCEAT – Smith Cooper had suggested that NCEAT should be audited annually as it's a separate legal entity. Attendees discussed this taking into consideration that the same systems, process and controls are undertaken and they share the same staff so there is nothing significantly different in how they operate. ICCA will undertake a review prior to 31 August as requested however, members suggested that the rationale for this audit is queried with Smith Cooper for clarification.</p> <p>- Accounting Officer (Draft report attached) New audit to ensure the AO is effectively discharging responsibilities in line with the requirements of the Academies Financial Handbook. Substantial assurance received with recommendations to look at:</p> <ul style="list-style-type: none"> - the agenda structure to adapt to the demands of the Trust and sector - the business cycle to develop a process of independent verification of transactions authorised by the CEO/AO. <p>In response to questions around this Mr Corban and Mrs Bonser confirmed that the Levels of Authority document lists transactional delegated authority and sign off. Members were advised that any sign off by the CEO/AO would mainly be capital items and any such items must also be authorised by a second person. A management response will be completed later this week. Mr Corban confirmed that very few non-compliance reports are seen and they are all reported to LABs.</p> <p>- Procurement (final report attached) Reasonable assurance received centring on consistency for obtaining quotes and tenders within the correct Levels of Authority. In response to questions, Mr Creed confirmed that the system to do this is not overly complex or bureaucratic and there is a SLA for POAs ensuring they are turned around quickly so there is no need to circumnavigate the system. Mr Mabbott suggested putting in a process for retrospective approval in case of emergencies if authorising staff are not available. Staff confirmed this would be very rare. Mrs Bryn-Jones received assurance that credit cards are securely stored.</p> <p>- FAR (Final report attached) Audit conducted at the request of this committee which has received a substantial assurance opinion. Mr Jones had provided a response to the audit which had been received by members. Members discussed whether business functions should be included in any future audits and it was confirmed that they would be if a decision is made to include business operations in FARs next year.</p> <p>- Risk Registers (Final internal reviews attached for SBPA, WPA and BLPA) Mrs Bonser advised that she is conducting internal risk register reviews at each academy. Mr Storey questioned the RR process and he was advised that prior to reports being received at this meeting the RR is updated by local risk champions; academy leaders approve the scoring and they have been received by LAB F&Rs. Following further questioning, Mrs Bonser confirmed that training is given to all risk champions and principals</p>	KBN
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	separately and then together to ensure that there is consistency of scoring across the Trust.	
AC/30/1819	Minutes of the meeting held on 4 December 2018 The minutes of the meeting, having previously been received were agreed and signed by the chair subject to amending Single Record Card to Single Central Record (SCR).	
AC/31/1819	Matters arising not on the agenda <i>AC/20/1819 Single Central Record for Head Office</i> Mrs Bonser advised that Mr Knight and Mrs Thursby have a meeting to review this and the overview will be received at the next meeting. <i>AC/20/1819 Levels of Authority</i> Reviewed at F&R	agenda
AC/32/1819	Risk (all documents previously received) Risk Management Strategy Mrs Bonser confirmed there are no amendments to the previous document. There were no questions Risk Management QA and Monitoring Programme Mrs Bonser advised that additional testing has been added. There were no questions GRC One guidance For information only. There were no questions Trust RM policy Mrs Bonser confirmed there are no amendments to the previous policy. There were no questions Claims Management – MAT protocol Mrs Bonser advised members of the new process put in place across the organisation. All staff must report claims immediately to the central team to manage. All responses will be responded to at Trust level to minimise claims and follow up any lessons learned to avoid repetition where possible. She was pleased to report that whilst the protocol has only recently been instigated assessment and control is already much better. Mr Quigley asked what the exposure of the Trust is now and members were referred to page 7 of the Risk Management Report. There are 15 cases across the Trusts for a mixture of issues. Claims at ELA, TPA and TA may have reputational risk implications. Mr Storey enquired whether all cases are being reported with staff confirming that the process has been made clear to academies. A policy of 'near misses' will be built up from the claims seen and referred to this committee to mitigate the risks. Risk Management Report (previously received) Mrs Bonser went through the high level Trust risks. In reviewing each risk Trustees ascertained that the DEC MAGA has not yet been signed but DAT and RNN have signed and it is hoped that the LA will sign before Easter. The use of the centre can then be discussed in more detail but Thrumpton Kids Club will not be moving in due to the outcome of their recent Ofsted report and that the rooms currently used at THPA could not be used for any other alternative usage as they were donated to the Club. Upon questioning members were assured that exit payments by current partners mitigate any risk for the next 3 years but a plan is required for the use of the space thereafter before this time.	

	<p>Mrs Bonser advised members how risks feed into the HO report and she confirmed that once risks have reduced from red to amber either through external forces or confirmation that risks have lessened via external audits they will drop off the report. Members questioned if this was the right action to take with Mrs Bonser confirming that they will be re-added at a later date if necessary.</p> <p>Mrs Bryn-Jones enquired why the leaking roof on ROA Sports Hall is not recorded as a high risk due to the length of time and disruption it has caused. Mr Corban advised that there had been a meeting earlier in the week with the LA regarding this and following a legal case to resolve payment between Balfour Beatty and Transform, a new roof is to be fitted in June. In response to a question, members were assured that if there is likely to be disruption to exams, students will sit them at DEC. Pressure has also been placed on the LA to look at a refund of usage costs which staff have calculated as c£50k. Any refund received must go to ROA as under Academies Financial Handbook ruling any PFI costs cannot be pooled. Members who are also on ROA LAB confirmed that the progress was good to hear as it had been a recurring concern. They were surprised that it had not been included on either ROA or the Trust RR and following discussion advised they had not challenged its omission as it was thought that PFI was outside of the academy's influence. Mr Corban confirmed that meetings are being held with the LA regarding all PFI issues and MATs are challenging costs but governors must ensure that any identified issues are reported via the RR.</p> <p>Mr Mabbott suggested that any claims that may attract reputational risks should be on the Trust RR.</p> <p>Mr Quigley recommended that risks should not be removed but a 'top 10' list of risks should always be received.</p> <p>Mrs Bonser confirmed that IT security, GDPR, QEA boiler in Estates, Facilities and Site Management will be removed from the register as the risks have been mitigated as much as they can be as previously discussed. Two new risks are to be added as amber:</p> <ol style="list-style-type: none"> 1. Life cycle and development planning for ICT Hardware. Capital budget has now been allocated to this area 2. Removal of ISDN connections across the country which has a minimal cost but a workload and project delivery impact. <p>Members requested that ROA Sports Hall is added to the RR until it has been satisfactorily resolved.</p> <p>The academy RRs were reviewed. Mrs Bonser confirmed that academy committees receive and challenge the report for their academy. She highlighted additions:</p> <ul style="list-style-type: none"> - TPA and YPA around SEN and additional needs funding - RPA – new joint head of RPA and YPA recently appointed <p>and removals:</p> <ul style="list-style-type: none"> - WPA – quality of teaching and academic development of pupils due to the FAR confirming progress made - SBPA – new governance structure now in place <p>It was noted that HO risks could be purely HO or an accumulation of the same risk in a number of academies.</p>	<p>KBN</p> <p>KBN</p> <p>KBN</p>
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AC/33/1819	<p>Accounting Officer exception reporting</p> <ul style="list-style-type: none"> - fraud related - health & safety - safeguarding <p>In Mr Pickering's absence, Mrs Bonser advised that there were no exception reporting issues to bring to the committee's attention.</p>	
AC/34/1819	<p>Date and time of next meeting:</p> <p>It was agreed that all meetings will start at 5pm and will be held at Diverse Education Centre Tuesday 25 June 2019 at 5pm</p>	
AC/35/1819	<p>Determination of confidentiality of business and Equality Act consideration including Nolan principles</p> <p>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 paperwork received at the meeting should remain confidential to attendees.</p>	
	<p>The meeting closed at 6.05pm</p> <p>Signed.....(chair) Date.....</p>	