



**Minutes of the Audit and Risk Committee meeting held on 31st March 2020
at 5.00pm via Skype for Business**

Trustee name	Initials	A = absence
Mr Ian Storey –(Chair) Trustee	IS	
Mr Mike Quigley- Trustee	MQ	
Mr Peter Mabbott - Trustee	PM	
Mr Tim Hill – Co-opted	TH	
Mrs Pat Bryn-Jones – Co-opted	PBJ	A
Mr Geoff Gadie – Co-opted	GG	A

In attendance: [staff or other invited persons]

Staff name	Initials	Role	A = Absence
Karen Bonser	KB	Senior Business Leader - Business Development	
Chris Pickering	CP	Chief Executive Officer & Accounting Officer	A
Gary Corban	GC	Chief Operating Officer	
Dave Cotton	DC	Acting CEO	
Jenni Harrison Hill	JHH	Clerk	

Item No	Item	Action/ by who/when
ARC/13/1920 Agenda item 1	Apologies for absence Apologies for absence were received and agreed from Geoff Gadie & Pat Bryn Jones	
ARC/14/1920 Agenda item 2	Declaration of interest and any changes to be advised There were no declarations of interest, either direct or indirect, for any items of business on the agenda.	
ARC/15/1920 Agenda item 3	Minutes of the meeting dated 05th November 2019 The minutes of the meeting, having previously been received, were agreed.	
ARC/16/1920 Agenda item 4	Matters arising ARC/03/19/20 – Further exploration of introducing software to record staff reading policies – An update was given explaining that the Trust was due to start a trial on new software but it is now on hold due to academies being closed due to Covid-19. The trial will be resumed when academies are once again operational.	

	<p>Action: Feedback will be provided once trial is resumed.</p> <p>ARC/06/19/20 – Review of Academies Financial Handbook for new areas of scrutiny and recommend committees for overview of these. The Academy Financial Handbook Compliance report (Document 1) was provided to the Committee prior to the meeting. It was explained that there are no major areas of concern, for the ‘MUSTS’ there are 5 needing development, for the ‘SHOULD’S’ there are 4 areas of work.</p> <p>Action: Karen Bonser and Asiya Younis will be working on these developments. There will be a further update at the next meeting of this Committee.</p> <p>ARC/07/19/20 – 2 (i) (ARC/40/1819) – review of Audit Account response actions fully discharged. The Extract from Audit Report 17/18 findings (Document 2) was provided for the Committee prior to the meeting. Smith Cooper have confirmed that all actions have been fully discharged.</p> <p>ARC/07/19/20 4.(ii)- Procurement, Value for Money, Best Value 29/20 full report DALP-Report 02 19-20 procurement, VFM and Best value Final reports (Document 3) was distributed to the committee prior to the meeting. The draft report was discussed at the last meeting, this is the final document. Karen Bonser will be picking up the action points to ensure they are reviewed until completed, and a progress report will be provided to this Committee.</p> <p>Trustee Question: There was a point in the report about the Financial Procedures Manual being out of date on procurement roles, has this been addressed? Response: This will be cross checked to ensure it has been addressed. Action: G Corban and A Younis to cross check this has now been completed.</p> <p>ARC/07/19/20 4. (iii) – Staff Expenses final report DALP Report 01 19-20 Staff expenses Final report was distributed prior to the meeting. (Document 4) Trustee Question: There were issues regarding VAT and staff expenses- has this been resolved? Response: It was confirmed that the issues had been resolved. The intention is to carry out spot checks during the key financial control audits.</p> <p>ARC/07/19 4 (v) – Governance and Trustees- schedule audit of procurement of alternative provision. DAT- Report 05 19-20 Alternative Provision Final (Document 5) was distributed to the Committee prior to the meeting. It was reported that there are no major actions and substantial assurance across the board.</p>	<p>KB</p> <p>KB/AY</p> <p>KB</p> <p>GC/AY</p> <p>KB</p>
--	---	--

	<p>Trustee Question: What checks are being carried out for alternative provision for external providers Response: Internal spot checks can be carried out on these.</p> <p>ARC/08/19/20 – Education & Skills Funding Agency (ESFA) correspondence – review of Trust Accounting Officers roles and responsibilities. Letter to Trust Accounting Officers July 2019 (Document 6) was distributed to the Committee prior to the meeting. Chris Pickering is in the process of handing over the Accounting Officer role to Dave Cotton.</p> <p>Trustee Question: The ESFA letter and the Financial Handbook mention Internal Scrutiny, is there anything extra that we need to be doing as an Audit Committee to meet these requirements? Response: As a Trust we are already undertaking most of the tasks through our internal audit and our current audit and risk procedures. There is an additional specific report which has to be compiled. Karen Bonser and Asiya Younis are preparing an analysis showing areas of Internal Scrutiny that we are already undertaking, and any additional work that we need to do, and will report to the next meeting of this Committee.</p> <p>Action: Analysis of requirement for Internal Scrutiny report.</p> <p>P Mabbott and T Hill joined the meeting at 17.14</p>	KB
<p>ARC/17/1920 Agenda Item 5</p>	<p>Risk Management Summary Item 5.1 Risk Register report Risk Management Compliance Report and Update (Document 7) was distributed to the committee prior to the meeting.</p> <p>There are 3 new risks as detailed in the report:</p> <ul style="list-style-type: none"> • Legal Transfer of Retford Post 16 • Pupil Number Projections – Medium risk to ensure that when budgets are planned future budget projections are checked as being accurate to avoid any future funding issues • Educational Visits – The management of educational visits in the academies needs to be strengthened and audited to ensure there is consistent compliance across the Trust in line with our policies and statutory requirements. Audits have commenced but are on hold at present due to closure. <p>Trustee Question: Why is the Retford Post 16 risk rated as red Response: the main risk is the financial risk of covering the PFI and whether rental can be covered by different sources, see commentary on page 3 of the document.</p> <p>Trustee Question: What mitigation is in place for this risk? Response: A financial project team is looking at the finance risk and possible priorities , differing ways to cover the PFI charge. Thrumpton Kids Club are not able to move in. The Local Authority and RNN are looking at areas</p>	

Trustee Question: At what point do the other participants no longer become liable for the funding of the PFI?

Response: There was a three-year exit, we are in the penultimate year. After that we become liable for all the payments.

Trustee comment: It is essential to find uses for the building to generate income

Response: The project team is looking at this, we are confident that we can cover the PFI charge.

Action: G Corban will provide an update at the next meeting of this Committee.

GC

KB outlined the other red risks reported in the document.

One red risk is control of infectious diseases due to current Covid-19. In reality this is now a fact not a risk although there are consequential risks including safeguarding and finance. As regards the latter, the finance team are reviewing it and at the moment we cannot see any major risks. More widely, we will continue to monitor the situation to assess how we continue to support educational needs and vulnerable children in the home-setting.

Trustee Question: What are the risks around Educational Visits

Response: There is confidence that the Trust will get at least 90% back for losses due to educational visits and we are working with Risk Protection Assurance on claims for trips.

Trustee Question: Is the financial risk regarding educational visits being absorbed or is the plan to pass it on to parents?

Response: The plan is to look to absorb it.

Trustee Question: What about cleaning?

Response: The contract with cleaning contractors includes carrying out deep cleans, there were some issues raised around materials used, but the cost is born by the contractors.

Trustee Question: What is the contingency for the risk if we can't get cleaners to ensure we can reopen, and have they retained their staff?

Response: Current view is that the risk is low as the work is contracted out to cleaners, so far, we haven't had any information regarding their staff.

Trustee Question: The largest risk is the risk to pupils, impacts and likelihoods, safeguarding. We need some overall plan /response to be developed

Response: The Executive Team have developed a 20+ point plan in response to Covid-19. It includes areas around safeguarding, key workers, educational impact, transition, Year 11 celebrations etc. This will be discussed further in Trust Board meeting on 1 April, it is being reviewed constantly in response to government updates, and there is a lot of forward thinking around reintegration in the future, so far the executive team have been very proactive and forward thinking as a Trust to respond to the demands and issues.

	<p>Trustee Comment: This situation and plan has such significance that it moves beyond Audit & Risk Committee and becomes an issue for the Trust Board meeting to consider on 1 April. Dave Cotton will give a full report to the Board.</p> <p>Trustee Question: Trustees queried the red risk rating on some academies for prolonged governance failure? Response: This really relates to the financial implications of Covid 19 rather than governance per se. As above the financial impact does not currently look to be substantial but we are monitoring Covid 19 related expenditure with a newly created cost code.</p> <p>5.2 Risk Register Audit This is ongoing, two audits have been completed, the remainder will be picked up after Easter as we have stopped the programme due to Covid-19.</p> <p>5.3 New risks including coronavirus This item has been covered in the discussion above.</p> <p>5.4 Training including Trustee risk software training Training for Trustees and Governors is now on hold due to lockdown. Trustee Comment: it was confirmed that this training is still relevant and required, to give trustees (and in particular members of this Committee) the opportunity to understand and comment on the processes for risk management. Action: Karen Bonser to re-arrange following the end of lockdown</p>	KB
<p>ARC/21/1920 Agenda item 6</p> <p>ARC/22/1920</p> <p>ARC/23/1920</p>	<p>Review of Internal Audits</p> <p>6.1 Attendance 6.2 ICT Security</p> <p>Diverse Academies FINAL Report 04.19/20 Student Attendance, Retention & Intervention (Document 9) and IT Data Security, Infrastructure and Disaster Recovery (Document 10) were distributed to the Committee prior to the meeting.</p> <p>Trustee question: In the IT report, there are two items outstanding from a previous audit, we need to ensure they are followed up (disaster recovery and governance). Action: follow up and report back to the Committee.</p> <p>6.3 Educational Visits Audits The programme of audits had started and one had been completed, the programme will resume in the Autumn term, given that they have to be done onsite.</p> <p>6.4 Safeguarding The safeguarding audits are 60% completed, they are usually completed prior to Academy Improvement Reports and all Academy Improvement Reports have now been cancelled due to the Lockdown. The audits will resume in the Autumn term, there is the requirement to be on site to carry these out.</p>	KB

<p>ARC/24/1920</p>	<p>Trustee Question: If the lockdown is prolonged what is the strategy regarding safeguarding audits? Responses: There is a possibility to do a partial audit remotely but need to be on site for most areas.</p> <p>6.5 External opportunities to provide Internal Audit Gary Gorban is working with L.E.A.D. Academy Trust to look at areas where work can be done to come together as Multi Academy Trusts to procure and tender. Currently all trusts are spending money on internal audits, commissioning companies to carry these out, but we are now looking at the capacity to do reciprocal audits, or go out for tender as group of Multi Academy Trusts</p> <p>Trustee Question: What is the current status of our contract with ICCA? Response: it is a rolling contract.</p> <p>Action: Keep the Committee updated on ICCA renewal and/or collective MAT projects.</p>	<p>GC</p>
<p>ARC/25/1920 Agenda item 7</p>	<p>Financial Year End Audit Report</p> <p>It was reported to the committee that this was the ‘cleanest’ audit in the lifetime of Diverse Academies Trust. There was one issue raised concerning Value Added Tax, where controls have now been put in place, and an issue regarding expenses, this has also now resolved.</p> <p>For the next report we will need to focus on next year, the ‘MUSTS’ and ‘SHOULD’S’ in the Academies Financial Handbook, and internal scrutiny report items.</p>	
<p>ARC/26/1920 Agenda item 8</p>	<p>Data Breach/FOIA/SAR report This information is included in the Accounting Officer report (Document 11), see below</p>	
<p>ARC/27/1920 Agenda item 9</p>	<p>Accounting Officer exception report The Accounting Officer Compliance report (Document 11) was distributed to the Committee prior to the meeting.</p> <p>Trustee Question: Have any of the data breaches been serious ones? Response: All data breaches were minor and nothing requiring to be reported to Information Commissioner’s Office. Mike Quigley (Trust Chairman) confirmed that he had signed off the data breaches in the register.</p>	
<p>ARC/27/1920 Agenda item 10</p>	<p>Review claims/complaints The new Diverse Academies Dashboard Report 23.03.20 was distributed to the Committee prior to the meeting. Karen Bonser introduced the report and the overview which it provides, explaining that it is a strategic view report for Trustees. Trustees may want to drill down into this information with the aim to pull out those claims and complaints which represent a serious risk..</p> <p>Trustee Comment: It would be useful for us to have an indication of the type of event which would be flagged to the Committee. There</p>	

	<p>needs to be an element of exception reporting alongside the dashboard to highlight any appropriate issues. It will also be beneficial for trustees to be able to see the trends/patterns over time.</p> <p>Action: Exception reporting for the Committee on high impact issues, and trend reporting</p>	KB
<p>ARC/28/1920 Agenda item 11</p>	<p>Policy Approval: 11.1 Educational Visits Policy 11.2 Accessibility Policy 11.3 Single Equality Policy</p> <p>It was reported that no major changes have been made to the policies. For the Educational Visits Policy, Category C changes for extra checks are in place for approval by senior executives</p> <p>Trustee Question: Who are the senior executives who are approving Category C visits? Response: Category C visits now go to the Executive team before they are planned, which is a new level of approval.</p> <p>Trustee Question: Do Trustees need to approve these category C visits? The new Executive approval will mean that Executive leaders have sight of these trips prior to any being planned. There are also additional checks by Senior Business Leaders at the end of the planning stage to ensure compliance.</p> <p>Approval: Trustees approved the three policies.</p>	
<p>ARC/29/1920 Agenda item 12</p>	<p>Issues referred to/from Board Board has decided to allocate the Annual Development Plan strategic objectives between the Board committees. It was confirmed that no objectives had been allocated to Audit and Risk Committee.</p>	
<p>ARC/30/1920 Agenda Item 13</p>	<p>Exception reporting to the Board A verbal update will be provided to the Trust Board meeting by the Committee chair.</p>	
<p>ARC/31/1920 Agenda item 14</p>	<p>2020/2021 Internal Audit Themes – Verbal Discussion and thoughts on priorities for next year: Next year’s audits will include:</p> <ul style="list-style-type: none"> • Internal Scrutiny • Safeguarding • Educational Visits • Risk management <p>Possible additional audits are Procurement, Catering, and areas around Covid-19 regarding reintegration back to work and financial issues related to this.</p> <p>Trustee Challenge: Additional possible audits suggested by trustees were (1) Possibility to test GDPR homeworking, exploring how robust our GDPR is with colleagues working from home, (2) Recent Delegation of authority and governance changes and (3)</p>	

	<p>Recruitment.</p> <p>Action Karen Bonser will prepare a draft audit plan to be reviewed at the next Committee meeting. This can then be prioritised against the risk register.</p>	KB
<p>ARC/32/1920 Agenda item 15</p>	<p>Determination of confidentiality of business Equality Act consideration Nolan Principles</p> <p>Trustees considered whether anything discussed during the meeting should be deemed as confidential. It was resolved:</p> <ul style="list-style-type: none"> - That no confidential information had been discussed - There had been no Equality Act implications - Attendees were content that all decisions made adhere to the seven Nolan principles. 	
<p>ARC/33/1920 Agenda Item 16</p>	<p>Date and time of next meeting: Tuesday 23rd June 2020</p>	
	<p>The meeting closed at 18.01</p> <p>Signed.....(chair) Date.....</p>	