

Diverse Academies Trust
Minutes of the Audit and Risk Committee Meeting
 9 February 2022 at 4.30pm, held via Microsoft Teams.

Quorum required:2

Committee members present: 3

Trustee name	Initials	A = absence
Mr M Quigley MBE	MQ	
Mr R Shearing	RS	
Mr I Storey (Chair)	IS	

In attendance (staff or other invited persons):

Staff name	Initials	Role	A = Absence
Mr D Cotton	DC	Chief Executive Officer and Accounting Officer	
Mr G Corban	GC	Chief Operating Officer	
Mrs R Harvey	RH	Executive Business Leader	
Mrs S Chambers	SC	Internal Auditor, Cooper Parry	
Mrs J Harrison Hill	JHH	Company Secretary and Governance Professional	

Agenda item number	Item	Action by who/when
Agenda item 1 ARC/21/2122	Apologies for absence There were no absences.	
Agenda item 2 ARC/22/2122	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. The chair asked if anyone had any declarations to update. Trustees confirmed that the declarations given at the beginning of the academic year were correct.	
Agenda item 3 ARC/23/2122	Minutes of the meeting dated 13 October 2021 The minutes of the meeting, having previously been received were agreed by the chair.	

4. Matters Arising ARC/24/2122

Minute reference	Meeting date raised	Action required	Owner	Date due	Status	Comments/progress
ARC/16/2021	04/11/2020	Action: QEA non-compliance for health and safety progress will be reported at audit and risk meeting on 24/02/2021	K Bonser	Feb-21	In Progress	<p>Nothing further to report - due to testing workload - moved to sending reports out we 5.2. Related to issues with estates team and site condition.</p> <p>Action 24/02/2021: H&S Progress report for QEA is due this half term and will be brought to next A&R meeting, Mrs Bonser assured the committee that progress is being made. Update 28/04/2021: The reports have gone to academies for reporting and actions update, with extra technical support now in academies to move them on quicker for H&S. Meetings have been held with the Local Authority team to put a business case in for 20 extra days per year to bring staff up to speed through more rigorous checks to ensure meeting audit actions and requirements and ensuring looking at key themes.</p> <p>QEA have until end of May to report back actions and updates to the report it is expected that in the June meeting this should be finalised. The committee were updated that the Trust have procured 20 extra days from the Local Authority Health and safety to work with the academies.</p> <p>Trustees asked if the allocation of extra days will be issued by the trust, and it was confirmed that it would be used in October and November.</p> <p>Trustees queried if a report was available for QEA progress and Mrs Harvey confirmed that significant progress had been made regarding Health and safety, and a report would be provided at the committee meeting on the 13 October 2021.</p> <p>ARC/98.1/2021 Action: QEA H&S progress report agenda item 13 October 2021. A DfE Health and Safety audit has been undertaken and the report will be available for the October meeting. Update: on agenda item 8 Action: Update to be provided following current Health and safety Audit completion, to be emailed to committee members.</p> <p>This item is now complete and is discussed in agenda item 6</p>
ARC/51/2021	24/02/2021	Action: Formatting of claims report to show status of claims.	K Bonser	Apr-21	In Progress	<p>In Progress- formatting has been partially changed. In report, formatting has been part of change still waiting changes to dashboard, in progress.</p> <p>This item is now complete.</p>
ARC/06/2122	13/10/2021	Action: The Internal Audit plan will be shared with Mrs Flear and Mrs Chambers once agreed by the committee	R Harvey	Feb-22	In Progress	<p>This item is now complete.</p>
ARC/08/2122	13/10/2021	QEA H&S Progress update. Action: Update of audits issues flagged from NCC Health and safety audits to be provided to the committee.	R Harvey	Nov-21	Complete	<p>Health and Safety Audit Interim report shared on 15/12/2021</p> <p>This item is now complete and is reported in item 6</p>

ARC/11/2122	13/10/2021	Review Internal Scrutiny report. Action: Trustees to feedback any comments on the two Internal scrutiny reports to Mrs Harvey. Action: Report to be finalised and distributed to committee members for recommendation to the Trust Board.		24/11/2011	In Progress	This item is now complete.
ARC/14/2122	13/10/2122	Action: High level summary of claims and complaints to be provided for future meetings.	R Harvey	Feb-22	In Progress	The report now includes the detailed report. Complete.

5 ARC/25/2122	<p>Safeguarding; culture and compliance</p> <p>Mr Cotton confirmed that there was nothing further to report in addition to the safeguarding section in the Accounting Officer report.</p>	
6 ARC/26/2122	<p>Accounting Officer Report.</p> <p>Document: <i>Accounting Officer report January 2022</i> was previously received by the committee.</p> <p>The reported contained:</p> <p>Introduction and context</p> <p>Audit</p> <ul style="list-style-type: none"> • External Audit – Financial management (GC) • Internal Audit, Reviews and Quality Assurance activity • Programme of work/updates: Cooper Parry • Programme of work/updates: Compliance, Quality and Risk Team: • Safeguarding • GDPR • Websites <p>Risk</p> <ul style="list-style-type: none"> • Risk Management update on progress and next steps • Risk Policy Statement, Risk Policy, Risk Operating Procedures and Reporting <p>Templates</p> <ul style="list-style-type: none"> • Corporate Risk Register • Risk arising from Academy Improvement and Educational Reviews • Risk arising from Finance Report • Risk appetite • Operational risks <p>Operational update: Internal controls</p> <ul style="list-style-type: none"> • Policies • Cyber Security • Claims and complaints update • Fraud, Regularity, Whistleblowing, Impropriety and Bribery • Significant incidents and closures • Covid <p>Trustees noted the report and commented that the format of the report was helpful.</p>	
ARC/27/2122	<p>Audit</p> <p><u>Internal Audit</u></p> <p>Mrs Chambers provided the committee with a summary of the work which had been carried out by Cooper Parry. This entailed a review of prior year findings and progress. Progress was graded at high assurance overall with some recommendations, but these were merely best practice.</p> <p>Mrs Chambers elaborated on the prior year findings which were audited:</p> <p>Procurement- having previously been raised as having multiple documents that may be inconsistent were now all consistent. A best practice recommendation was to have one document that captures all areas.</p> <p>Governance- previously raised as low attendance level at Audit and Risk committee this had been found to have improved attendance.</p> <p>Committee annual summary reports at the time of visit by Cooper</p>	

<p>ARC/28/2122</p>	<p>Parry had not yet gone to Trustee Board, best practice was to have a timetable to inform when expected to feed into Trustee report. Key financial controls – previously raised procurement in three instances (two academies and one central) where procedures were not entirely followed. Cooper Parry testing found that procedures were now being followed, and where there were exceptions, documentation showed reasons why and included signed waivers which was good practice. Trustees confirmed that the committee would be provided with reports from Cooper Parry, and it was confirmed that management responses are being updated for the report. Reports will be submitted to the committee after each audit. Each report will also contain an executive summary.</p> <p><u>Internal audit reviews</u> The committee discussed <i>Appendix B -Audit programme</i> Mrs Harvey recommended that the planned business continuity and emergency planning audit be put on hold due to current process of embedding new documentation and processes. Work is also underway to connect to risk review being undertaken to ensure correlation. Trustees agreed to postponing the business continuity and emergency planning audit and proposed that the audit be replaced with complaints and claims audit looking at processes and practices. It was discussed that this would also provide information regarding risk identification.</p>	
<p>ARC/29/2122</p>	<p><u>Health and Safety</u> Document: <i>Appendix C Diverse Academies Trust Health and Safety Audit Report Jan 2022</i> and <i>Appendix D QEA Health and Safety Audit Report October 2022</i> were previously received by the committee. Mrs Harvey discussed the two reports, highlighting that many of the issues had been addressed and examples of good practice across the organisation and at Queen Elizabeth Academy were now being reported. Trustees remarked that the reports looked very positive with only minor recommendations to be followed up. Mr Corban added that the Nottinghamshire County Council consultant, who carried out the audits, commented that the schools within the Trust are very safe. Not just from compliance, but also from a cultural perspective. Mrs Harvey informed the committee that the audits conducted as part of the DfE pilot will be completed in the next few months to provide a full suite of Health and Safety reports.</p>	
<p>ARC/30/2122</p>	<p><u>Safeguarding</u> Feedback from Ofsted visits raised no issues regarding compliance for safeguarding and Single Central Record. Focus is now on assurance of compliance culture and confidence of leaders in articulating the purpose of the internal controls and how they operate.</p>	
<p>ARC/31/2122</p>	<p><u>GDPR</u> Document: <i>Appendix E GDPR and data update January 2022</i> was previously received by the committee. Mrs Harvey briefly added to the report that there is a positive culture within the trust with GDPR being high on agenda of team’s meetings. Trustees queried from the report the incident which was being investigated regarding a potential retrospective report to ICO, and what progress had been made regarding this incident. Mrs Harvey agreed to follow up on the action taken and report back to the committee.</p>	

<p>ARC/32/2122</p>	<p>Action: Mrs Harvey to report progress on GDPR breach in September 2021 resulting in a complaint in January 2022.</p> <p>Trustees queried if there was confidence that all breaches were being reported to academy GDPR teams. Mrs Harvey confirmed that although they are not always immediate, they are being reported.</p> <p><u>Website</u></p> <p>The committee were updated in addition to the information in the Accounting Officers reports regarding websites, that issues regarding how the website was structured had been reported with the website builders and have now been resolved.</p> <p>Following Trustees querying who carries out the website audit, Mrs Harvey confirmed that the Compliance, Quality and Risk team complete the audits.</p>	<p>RH</p>
<p>ARC/33/2122</p>	<p><u>External audit</u></p> <p>Document: <i>Appendix A External Audit Findings Report December 2021</i> was previously received by the committee.</p> <p>The committee discussed the 'clean' audit report from the external auditors Smith Cooper.</p> <p>Mr Corban drew attention to section 3 of the report, Key matters arising during the course of the audit, confirming that these matters had been discussed at Finance and Resources Committee and predominantly refer to the treatment of income of land and buildings. Mr Corban explained that these had been resolved in year and were not substantive.</p> <p>The committee also discussed section 12 of the report, external developments – Academy Trust Handbook 2021, it was agreed that this would be an agenda item at the next meeting to review any risks or issues of the new Academy Trust Handbook and ensure compliance. Mr Corban informed the committee that this had also been carried out at the Finance and Risk Committee.</p>	<p>AGENDA 15/06/2022</p>
<p>ARC/34/2122</p>	<p>Action: Agenda item for meeting of 15 June 2022, Academy Trust Handbook developments.</p> <p>Trustees remarked that the audit outcome was worthy of note that there were no issues raised in Appendix A Control improvements recommendations for the previous or current year.</p> <p><u>Risk and Risk Management</u></p> <p>Mrs Harvey referred to the Accounting Officers report Risk section, highlighting that the first section refers to the progress taken over the last 4 months to educate and embed risk across the organisation.</p> <p>Trustees observed that the progress was good to see and remarked that Covid had delayed this refresh for some time whilst Covid priorities took precedence, the current advancement is very encouraging.</p> <p>The committee at this point discussed the Risk Policy statement, policy and operating procedures which were for approval under agenda item 12.</p> <p>Trustees affirmed that the short statement worked well, and asked Mrs Harvey if any duplication that can be taken out between policy statement and policy,</p> <p>Action: Mrs Harvey to look at policy statement and policy for any duplication.</p> <p>Mrs Chambers also commented the documents had been shared with Cooper Parry as a draft and were considered to be thorough and appropriate.</p> <p>Trustees approved the Risk Policy, Risk management operational guidance and Risk Management Policy Statement.</p> <p><u>Corporate Risk Register</u></p>	<p>RH</p>

<p>ARC/35/2122</p>	<p>Document: <i>Appendix F Corporate Risk Register</i> was previously received by the Committee.</p> <p>The committee were informed that Appendix F was the report generated by GRCON system with risks agreed at executive team meetings. The committee discussed the risks and the fact that some remained red. Mrs Harvey explained that some are still at high level as mitigation is not yet in place. Discussions are still taking place with leadership teams and Trustees to ensure the right risks are being reported with links between corporate risk, strategic plan, and core priorities. The corporate risk report was reported as still evolving.</p> <p>Trustees commented that the grid in the report highlights areas where the committee need to focus attention. Subject to treatment applied would expect to see risk being mitigated or would need to challenge reasons why.</p> <p>Trustees stated that the Audit and Risk Committee should look at the trend boxes on page two of the report, as this helps to focus in on areas needing monitoring.</p> <p>Mrs Harvey concluded that the report would link back to the Risk Register and appetite for risks. The next time the corporate risk register is brought to the committee it should be more complete with movement showing where treatment has been applied.</p> <p>Action: Corporate Risk Register to be brought back to Committee at next Audit and Risk Meeting on 15 June 2022.</p> <p>Mrs Harvey then explained to the committee that GRCON system is also being used in academies for operational risk. There is the potential for operational risks to become corporate risks.</p> <p>Trustees asked if there was moderation at executive leadership team meetings before it is moved to a corporate risk. Mrs Harvey confirmed that this would be the case and is currently taking place regarding SEND due to challenges externally and internally which may be moved to a corporate risk in the future.</p> <p><u>Financial Report Risk</u></p>	<p>RH</p>
<p>ARC/36/2122</p>	<p>Document: <i>Appendix G Financial Performance December 2021</i> was previously received by the committee.</p> <p>The Audit and Risk committee were informed that the financial performances risks had also been discussed at the Finance and Resources Committee. Staffing as a percentage of total income was now on the risk register.</p> <p><u>Risk appetite</u></p>	
<p>ARC/37/2122</p>	<p>Document: <i>Risk Appetite Workshop agenda</i> was previously received by the committee.</p> <p>The committee discussed the format of the workshop and time allocated. The committee discussed the risk register be used as part of the exercise for the scenario planning and discussion on risk appetite.</p> <p>Action: It was agreed for the agenda for the Risk Appetite workshop and associated documentation regarding overviews of risk appetite be distributed prior to the meeting.</p> <p><u>Cyber security</u></p>	<p>RH 11/02/2022</p>
<p>ARC/38/2122</p>	<p>Mrs Harvey discussed approaches being considered for stress testing on cyber security with a company (cyber essential) being approached for quality assurance of cyber security which provides a certificate of assurance graded on 5 levels. This is government backed and used by industry.</p> <p><u>Claims and complaints</u></p>	
<p>ARC/39/2122</p>	<p>Document: <i>Claims report 24.01.22</i> and <i>claims report 31.01.22</i> were previously received by the committee.</p>	

<p>ARC/40/2122</p> <p>ARC/41/2122</p>	<p>Trustees queried why there were two reports and Mrs Harvey confirmed that the second was a more updated version.</p> <p><u>Fraud, Regularity, Whistleblowing, Impropriety and Bribery</u></p> <p>There was no further information to provide in addition to the Accounting Officer report.</p> <p><u>Significant incidents and closures</u></p> <p>Mrs Harvey highlighted from the report that there had been one closure due to significant flooding for two days.</p> <p>Trustees raised no further questions regarding the Accounting Officer report and noted that the report format was working well to provide the information required.</p>	
<p>7</p> <p>ARC/42/2122</p>	<p>Strategic Objective</p> <p>Document: <i>Strategic Objective 3 2021-2022 GCO</i> was previously received by the committee.</p> <p>Mr Corban informed the committee that this had been discussed in detail at Finance and Resources Committee and that Audit and Risk should also have oversight of the objective.</p> <p>Trustees commented that the document specifically mentions internal security and risk and having read the document had no further questions but agreed it needed to continue to come to Audit and Risk Committee.</p>	
<p>8</p> <p>ARC/43/2122</p>	<p>Risk Register and Risk Appetite</p> <p>This item was discussed in item 6 FRC/34/2122 and FRC/37/2122</p>	
<p>9</p> <p>ARC/44/2122</p>	<p>Self-Evaluation Review</p> <p>Document: <i>Audit and Risk self-evaluation</i> review sections was previously received by the committee.</p> <p>The committee reviewed the document and agreed the details contained within it to be added to the full board evaluation.</p>	
<p>10</p> <p>ARC/45/2122</p>	<p>Review Year-end Financial report and Management Letter</p> <p>This was discussed under item 6 FRC/33/2122</p>	
<p>11</p> <p>ARC/46/2122</p>	<p>Review of Insurance arrangements and support provided Discussed</p> <p>The committee were informed that the Trust procures risk protection arrangement (RPA), an alternative to commercial insurance through the Department for Education. Separate insurance cover is provided for motor vehicles. RPA is the recommended option by the DfE for value for money.</p> <p>Trustees queried the legal advice retainer provided by Browne Jacobson Solicitors and how this was being used. Mr Corban informed the committee that a varied range of support has been provided covering advice for low level safeguarding, service level agreement development, responding to queries from EFSA and vaccination advice. Currently just under two thirds of the advice procured has been utilised.</p>	
<p>12</p> <p>ARC/47/2122</p>	<p>Policy Approval</p> <ul style="list-style-type: none"> • Mental Health and Wellbeing principles • Accessibility Policy • Covid 19 appendix to Safeguarding and Child Protection Policy • Risk Policy • Risk management operational guidance • Risk Management Policy Statement 	

	The Committee approved all 6 policies, guidance and statements listed above.	
13 ARC/48/2122	<p>Issues referred to/from the Board</p> <ul style="list-style-type: none"> • The committee observed that the progress on Risk Management the current advancement is very encouraging. • The committee discussed the Risk Policy statement, policy and operating procedures which were for approved. • Company being approached for costs of cyber security testing with certificate of assurance. • Reviewed Year-end Financial report and Management Letter noting no recommendations for previous or current year. • Reviewed insurance arrangement. 	
14 ARC/49/2122	<p>Determination of confidentiality of business Trustees considered whether anything discussed during the meeting should be deemed as confidential. It was resolved: That no confidential information had been discussed</p> <p>Equality Act consideration There had been no Equality Act implications</p> <p>Nolan Principles Attendees were content that all decisions made adhere to the seven Nolan principles.</p>	
15 ARC/50/2122	Date and time of next meeting: Wednesday 15 June 2022, 4.30pm via Microsoft Teams	

The meeting closed at:5.46pm

Agreed by Chair: On 15 June 2022 minute number ARC/53/2122