

Diverse Academies Trust
Minutes of the Audit and Risk Committee Meeting

Wednesday 15 June 2022 at 5.00pm, held via Microsoft Teams.

Quorum required:2

Committee members present: 3

| Trustee name | Initials | A = absence |
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| 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 |
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| Mr D Cotton | DC | Chief Executive Officer and Accounting Officer | |
| Mr G Corban | GC | Chief Operating Officer | A |
| Mrs R Harvey | RH | Executive Business Leader | |
| Mr A Jones | AJ | Internal Auditor, Cooper Parry | |
| Mrs J Mordue | JM | Trustee (observer) | |
| Mrs J Harrison Hill | JHH | Company Secretary and Governance Professional | |

| Agenda item number | Item | Action by who/when |
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| 1. ARC/51/2122 | Apologies for absence Apologies for absence were received from Mr G Corban | |
| 2. ARC/52/2122 | 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. Trustees confirmed that the declarations given at the beginning of the academic year were correct. | |
| 3. ARC/53/2122 | Minutes of the meeting dated 9 February 2022 The minutes of the meeting, having previously been circulated were agreed by the Chair. | |
| 4. ARC/54/2122 | Matters Arising See item on page 2 | |

Agenda item 4: Matters Arising: ARC/55/2122

| Minute reference | Meeting date raised | Action required | Owner | Date due | Status | Comments/progress |
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| ARC/31/2122 | 09/02/2022 | Action: Mrs Harvey to report progress on GDPR breach in September 2021 resulting in a complaint in January 2022. | R Harvey | by 15/06/2022 | In Progress | This item has been reported in Accounting Officers report. Complete |
| ARC/33/2122 | 09/02/2022 | Action: Agenda item for meeting of 15 June 2022, Academy Trust Handbook developments. | Agenda | 15/06/2022 | In Progress | Agenda item 9. Complete |
| ARC/34/2122 | 09/02/2022 | Action: Mrs Harvey to look at risk policy statement and risk policy for any duplication. | R Harvey | 15/06/2022 | In Progress | Mrs Harvey informed the committee that the wording has been scrutinised and is now complete |
| ARC/35/2122 | 09/02/2022 | Action: Corporate Risk Register to be brought back to Committee at next Audit and Risk Meeting on 15 June 2022. | R Harvey | 15/06/2022 | In Progress | The Corporate Risk Register is reported in the Accounting Officers report. Complete |
| ARC/37/2122 | 09/02/2022 | 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. | R Harvey | 21/02/2022 | Complete | Meeting documents received prior to meeting of Risk Appetite workshop |

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| 5. ARC/56/2122 | Safeguarding; Culture and Compliance An update was included in the Accounting Officers report section 2.4 | |
| 6. ARC/57/2122 | Accounting Officer Report Document: <i>Accounting Officer report May 2022</i> was previously received by the committee. The report contained the following sections: 1. Introduction and context 2. Audit <ul style="list-style-type: none"> • External Audit – Financial management • Internal Audit, Reviews and Quality Assurance activity • Programme of work/updates: Cooper Parry • Programme of work/updates: Compliance, Quality and Risk Team: <ul style="list-style-type: none"> ▪ Educational Visits (Trips) ▪ Safeguarding ▪ Health and Safety ▪ GDPR and associated data protection ▪ Websites 3. Risk <ul style="list-style-type: none"> • Risk Management update on progress and next steps • Corporate Risk Register ▪ Changes to risk levels ▪ New risks/risks to be removed • Risk arising from Academy Improvement and Educational Reviews • Risk arising from Finance Report • Risk appetite 4. Operational update: Internal controls <ul style="list-style-type: none"> • Policies • Cyber Security • Claims and complaints update • Fraud, Regularity, Whistleblowing, Impropriety and Bribery • Significant incidents and closures • Business Continuity – verbal update 5. Matters raised from the Trust Board to Audit and Risk Committee 6. Any other matters The headline areas of the report were highlighted by Mrs Harvey who confirmed that there were no noteworthy occurrences or substantial noncompliance areas. The Covid risk had been significantly reduced, some of the improvements made under Covid have been kept since they were determined to be useful, with changes to traffic flow around some of the academies as one example. Mrs Harvey informed the committee that Educational Visit Review final report is being drafted and will be reported at the committee meeting in September. The risk to Nursery funding raised by the Finance and Resources Committee was noted. The committee were informed of the fact that Executive Leaders had been asked to speak at a national conference regarding the positive practice for attendance within the Trust and another national conference regarding Finance. | |
| ARC/58/2122 | <u>Internal Audit Reviews and Quality Assurance activity</u> | |

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| | <p>A discussion took place regarding Internal Audit contract provider, Cooper Parry, having informed the Trust that they are not able to continue to provide the internal audit service going forward due to staffing issues. There remain some formalities regarding the contract to resolve.</p> <p>Mr A Jones updated the committee on the work carried out by Cooper Parry for internal audit, detailing those two pieces of work had been undertaken. The first was a review of prior year internal audit recommendations with resulting feedback and report having been issued. The second area of work undertaken was reviewing the claims and complaints processes. The initial findings have been shared with Mrs Harvey and further work will be progressed.</p> <p>Trustees raised concern regarding the timings of the report for claims and complaints, points raised from the report may need to be considered in audit priorities for 2022/23 and requested the report be shared with the committee members once finalised rather than waiting for the next committee meeting.</p> <p>Action: Claims and complaints report to be shared with committee members once finalised.</p> <p>Trustees also queried if consistency of approach has been seen across academies. Mr Jones assured Trustees that from the assurance work undertaken a strong level of assurance can be demonstrated.</p> <p>Trustees queried what areas of the internal audit programme Cooper Parry was due to carry out this academic year that they have not been able to reach due to resources and Mr Jones clarified that plans to look at operational resilience (business continuity) was paused in agreement with the committee due to new processes and forms needing time to embed. Mrs Harvey expanded that this was anticipated as being planned to start at the end of this academic year.</p> <p>Mr Jones continued that Governance was another area which they were due to review but this had been paused pending work being undertaken by the Board and the Governance & Partnership committee regarding self-evaluations and governance review.</p> <p>The audits of financial controls and value for money had not been started, agreement of the scope of work had not been finalised, the latter was due to move into the next academic year.</p> <p>Mrs Harvey clarified that value for money seems to be working well but we wanted to look at the context of identifying value for money on purchases and inception of need.</p> <p>Mr Jones apologised for the lack of staffing resources, which prevented him from continuing to provide internal audit services.</p> <p>Mr Jones left the meeting at 17.24</p> <p>Mrs Harvey discussed the next steps with the committee members regarding internal audit, indicating that work is underway to ensure the approach is appropriate.</p> <p>ICCA is being contacted to enquire if they can provide the financial controls audit and the internal scrutiny report to ensure there is no compromise to reporting and compliance.</p> <p>Work is underway to check the service which has been provided so far by Cooper Parry and ensure an appropriate settlement with them..</p> <p>Trustees noted that, due to the fact that the next Audit and Risk Committee meeting is not until November, we need to agree on an internal audit programme for the coming year, as well as who will deliver it,</p> <p>Trustees noted that communication between meetings will be critical.</p> <p>Mrs Harvey clarified that the Head of Governance had been tasked with reviewing the EFSA guidance on internal audit requirements with the aim</p> | RH |
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| | <p>to come back to the committee week commencing 20 June 2022 with an update on options and timescales.</p> <p>Action: Provide committee with an update on options and timescales regarding internal audit.</p> <p>Trustees queried if one of the options was to contact Smith Cooper, external auditors, regarding any work they could undertake using different teams to avoid conflicts of interest.</p> <p>Mrs Harvey confirmed this was one of the options being investigated and some of the response depended on Smith Coopers capacity.</p> <p>Trustees requested appendix A be updated to show what has not been achieved due to the staff resources of Cooper Parry, and what has or can be delayed.</p> <p>Mrs Harvey agreed to update appendix A and to show mandatory areas and any that can be delayed.</p> <p>Action: Appendix A – Audit programme to be updated as above.</p> <p>Mrs Harvey discussed Educational Visit reviews, noting that there are some areas for improvement required for operational practice in academies and clarifying that there were no concerns around risk and noncompliance.</p> | RH |
| ARC/59/2122 | <p><u>Health and Safety</u></p> <p>All reports have now been received from Nottinghamshire County Council Health and Safety. One major noncompliance regarding a design and technology suite had previously been reported. This issue has now been resolved with Queen Elizabeth's Academy's design and technology department assisting Holgate Academy and exchanging best practices. No outstanding or new noncompliance issues reported across the trust.</p> <p>Action: Mrs Harvey will report back to update the actions from the Health and Safety report and highlight the best practice which is happening in the academies.</p> | RH |
| ARC/60/2122 | <p><u>Safeguarding</u></p> <p>Safeguarding reviews have been carried out with a wide focus on culture, Single Central Record and recruitment. Recent Ofsted visits have enabled us to tighten up practices based on some of the questions asked. Work has been carried out to improve the SCR for head office.</p> <p>No high levels of risk were found regarding safeguarding, with consistent practice being evidenced.</p> <p>Mrs Harvey informed the committee that work undertaken to ensure policies reflect new guidance is being disseminated through training.</p> | RH |
| ARC/61/2122 | <p><u>GDPR</u></p> <p>Trustees commented that the report now gives full sight of the issue raised in matters arising ARC/31/2122.</p> <p>It was clarified that no further response to letter sent on 22 April 2022 had been received. After 3 months the matter is considered to be closed if no further correspondence. Currently signs indicate that the work carried out to support the individual and parents through the process have been successful.</p> | RH |
| ARC/61/2122 | <p><u>Breaches</u></p> <p>A number of low level data breaches reinforced need to ensure careful handling of data on a regular basis.</p> | RH |
| ARC/62/2122 | <p><u>Website</u></p> <p>The committee were updated that processes are in place to look at random and selective checks on a regular basis.</p> <p>Trustees asked for clarification whether this was monitoring rather than audit. It was clarified that the process is to ensure we are compliant with policies and information is up to date on the website, also to ensure quality assurance of information.</p> | RH |

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| ARC/63/2122 | <p><u>Risk</u></p> <p>Document: <i>Risk Matrix detailed report 2022 06 08</i> was previously received by the committee.</p> <p>Mrs Harvey informed the committee that risk is regularly covered at senior leadership meetings, and that corporate risk is routinely on the agenda for the Senior Executive Team's meetings.</p> <p>The transition to the revised programme of risk management was reported as working well in the academies.</p> <p>Risk was described as stable with ongoing work to refine the information in the corporate risk register to ensure it relates directly to the risk.</p> <p>A discussion took place regarding the scoring of risk, with the current 1-3 scoring described as not being sensitive enough as it creates an inflated view of risk. We are working to move to a scoring system of 1-5 to alleviate this issue, quality assurance is underway to look at high level scores.</p> <p>Review of the risks and increased and decreased risks was carried out by the committee.</p> <p>Trustees commented that there are two areas which Audit and Risk committee need to focus on 1] content of corporate risk register 2] assurance of the process delivering the overall outcome of risks. With this in mind the current scoring places 6 of the 7 risks in moderate, some are more likely to be minor, a scoring of 1-5 approach would rectify this.</p> <p>Trustees commented that the previous discussion as a Board on risk appetite to growth was beneficial, the next step would be to focus on other risks and any further information to review them.</p> <p>Mrs Harvey responded that work is still ongoing regarding the treatment of risk. The increased/decreased trends being reported are where risks are being impacted by the work.</p> <p>Trustees noted that the report facilitates a conversation regarding appetite to these risks and what is effective in reducing, mitigating or eliminating.</p> <p>Trustees commented that they were uncertain as to the process for risks raised by Board committees and Academy committees being considered for inclusion on the corporate risk register.</p> <p>Action: Mrs Harvey to bring a document to the next meeting to show process of how risks appear on corporate risk register.</p> | RH |
| ARC/64/2122 | <p><u>Policies</u></p> <p>The accounting officer report provided an update on work in progress to improve flow, process, and consistency of policies.</p> | |
| ARC/65/2122 | <p><u>Cyber-security and resilient and back-up</u></p> <p>Trustees commented that the information provided in the report was helpful and suggested that this would be worthwhile including a review in the Accounting Officer report on an annual basis.</p> | |
| ARC/66/2122 | <p><u>Claims and complaints Update</u></p> <p>Mrs Harvey highlighted from the report that nothing is currently flagged as high risk.</p> | |
| ARC/67/2122 | <p><u>Fraud, Regularity, Whistleblowing, Impropriety and Bribery</u></p> <p>The committee were apprised that only a small number of minor instances have occurred where purchasing procedures were not followed. No major instances of noncompliance were reported.</p> | |
| 7. ARC/68/2122 | <p>Strategic Objective review</p> <p>Mr Cotton concluded that the completed term 2 strategic objective review had been circulated at the Board meeting on 25 May 2022.</p> <p>No questions were raised regarding this document.</p> | |

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| 8. ARC/69/2122 | Corporate risk register The corporate risk register was discussed as part of agenda item 5 under risk. No further questions were raised. | |
| 9. ARC/70/2122 | External and Internal Audit plans for approval 2022/2023 As discussed in agenda item 5 Cooper Parry have indicated that they are unable to continue with contract due to staff leavers. The programme of audit work for 2022/2023 is being prepared. Mrs Harvey will ensure Trustees remain updated on progression of the programme of work, work required by the end of this academic year and planning going forward. Action: Mrs Harvey will confirm what internal audit work has been completed and provide a proposal to be circulated by email to the committee for approval before the end of the academic year. | RH |
| 10. ARC/71/2122 | Academy Trust Handbook Developments Documents: <i>Academies Trust Handbook Compliance report</i> and <i>Academy Trust handbook key changes for 2021 final</i> report were previously received by the committee. The key changes report provides assurance to committee members of the areas and self-assessment carried out against the Academies Financial Handbook changes made for 2021. The compliance report provides an overall grading in the document of the self-assessment in section 2.5 as a pie chart. Overall have 15 green ratings and one amber rating. The amber area for development is regarding emphasising the value of external reviews of governance for trusts. Trustees queried if Governance and Partnership Committee are taking this item forward following discussion at Board. Mr Quigley confirmed that Governance and Partnership Committee will be looking at this to discuss the scope of works for a review and timings. | |
| 11. ARC/72/2122 | Review of proposed committee dates & agenda framework for next academic year Document: <i>DAT Board & Committee meeting dates 2022 2023</i> and <i>A&R Draft Agenda framework 2022-23</i> were previously received by the committee. Trustees confirmed that the agenda was appropriate to meet the delegated responsibilities and agreed the framework. | |
| 12. ARC/73/2122 | Policy Approval <ul style="list-style-type: none"> • CCTV policy • Single Equality Policy A discussion was held regarding the CCTV policy being more operational and procedural than policy. Mrs Harvey responded that work is still progressing around policies and the format to bring them inline but due to the number of policies and deadlines the policy has been updated for content rather than format which will follow. Trustees questioned if it the CCTV policy will come back to the committee for approval after format changes or if it will remain on its two-year review cycle. It was confirmed that if it is approved at this meeting only the format will change not the content so approval will not be required for another two years. | |

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| | Trustees reviewed and approved the CCTV policy and Single Equality Policy. | |
| 13. ARC/74/2122 | Issues referred to/from the Board <ul style="list-style-type: none"> Board of trustees had referred the risk of Nursery funding from the Finance and Resources Committee to Audit and risk committee for review. This item is on the corporate risk register and detailed in appendix E of the Accounting Officer's report as a new risk and is being monitored. Internal Audit provider Cooper Parry withdrawal of services due to lack of staffing resources. Planning for Internal Audit going forward | |
| 14. ARC/75/2122 | 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 That appendices in the Accounting Officer report would remain confidential to attendees. Equality Act consideration There had been no Equality Act implications Considered the Single Equality policy was appropriate. Nolan Principles Attendees were content that all decisions made adhere to the seven Nolan principles. | |
| 15. ARC/76/2122 | Date and time of next meeting: Wednesday 9 November 2022, 4.30pm via Microsoft Teams | |

The meeting closed at: 18.26

Minutes agreed by Chair: 9 November 2022 minute number ARC/05/2223