

Diverse Academies Trust
Minutes of the Audit and Risk Committee Meeting

Wednesday 9 November 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	
Mr J Creed	JC	Internal Auditor, ICCA	16:42 to 16:46
Mrs J Harrison Hill	JHH	Company Secretary and Governance Professional	

Agenda item number	Item	Action by who/when
1. ARC/01/2223	Appoint Chair Mr Storey was proposed as Chair, no other proposals for Chair of the Audit and Risk Committee had been received. Committee agreed appointment of Mr Storey as Chair of the Committee.	
2. ARC/02/2223	Apologies for absence No apologies for absence had been received.	
3. ARC/03/2223	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.	
ARC/04/2223	It was agreed to change the order in which items were considered at the meeting. Item 7 and part of item 8 were taken next.	
4. ARC/05/2223	Minutes of the meeting dated 15 June 2022 and extraordinary meeting dated 13 July 2022 The minutes of the meeting, having previously been received were agreed by the Chair.	
5. ARC/06/2223 ARC/07/2223	Matters Arising: See action log on page 7	

ARC/08/2223	<p>In addition to the matters arising trustees raised from the extraordinary meeting dated 13 July 2022 that a review would be carried out on the approach to allocation of internal audit and selection of priorities informed by the risk register, and to identify the areas for audit and the appropriate ways of delivering the audits.</p> <p>Action: Agenda item for March 2023 Audit and Risk Committee to review internal audit and selection of priorities informed by the risk register, and to identify the areas for audit and the appropriate ways of delivering the audits.</p> <p>Trustees queried if the Educational Visits review final report was available yet following the discussion in the minutes of 15 June 2022. Mrs Harvey informed the Committee that due to some delays in responses and follow up work being undertaken this report is now in the process of being finalised and will be presented at the next meeting.</p> <p>Action: Educational Visits review report to be shared at Audit and Risk Committee 1 March 2023 meeting.</p>	<p>AGENDA</p> <p>RH</p>
<p>6. ARC/09/2223</p> <p>ARC/10/2223</p> <p>ARC/11/2223</p> <p>ARC/12/2223</p> <p>ARC/13/2223</p> <p>ARC/14/2223</p> <p>ARC/15/2223</p>	<p>Accounting Officer Report</p> <ul style="list-style-type: none"> • Safeguarding; culture and compliance • Introduction and context • Audit • Risk • Operational update: Internal controls • Policies process and structure <p>Document: Accounting Officer Report Oct 2022 was previously received by the Committee.</p> <p>The Committee were asked if they had any questions regarding the report.</p> <p><u>Safeguarding</u></p> <p>Trustees queried if there was a method for ensuring the Safeguarding Link Trustee is made aware of safeguarding items considered by the Committee. It was confirmed that discussion had taken place to ensure that for future audits the Safeguarding Link Trustee is involved in the scoping process.</p> <p><u>Health and Safety</u></p> <p>Trustees commented on the positive comments of high standards and culture highlighted in the report.</p> <p><u>GDPR Appendix C</u></p> <p>Trustees noted the favourable culture reported for GDPR, which is evident in the small number of breaches, and observed that the detailed report provides assurance of control.</p> <p><u>Cyber security Appendix D</u></p> <p>Mrs Harvey elaborated from the Accounting Officer report that the cyber security results showed that our systems have sophisticated access routes. The Committee noted and appreciated the work required to gather all the information required to obtain the certificate.</p> <p><u>Websites</u></p> <p>The Committee were informed that work to review updating of information on websites is underway and will be updated in future reports.</p> <p><u>Policies</u></p> <p>Mrs Harvey informed the Committee that policy templates were now being purchased from Browne Jacobson solicitors to ensure compliance with statutory requirements and high-quality policies in</p>	

	<p>place. This was in response to recent discussions with Committees and Board regarding policy process and standardisation.</p> <p>Trustees raised that concerns were regarding timing of policies being sent to Committees, Committees receiving policies which were draft and not final, and length of polices.</p> <p>It was clarified that the polices being purchased would enable policy leaders to provide consistent policy arrangements with updates to legislation being amended and new templates provided by Browne Jacobson as they arise.</p> <p>Trustees queried if the templates had been seen by executive leaders for appropriateness and it was confirmed that all policies to be purchased had been seen by the executive team, with an agreed plan to prioritise how the policies will be worked through and to be brought to relevant Committees for final approval.</p> <p>Action: Agreed plan for working through policy templates to be brought back to Committee for approval.</p> <p>Action: Policy template and guidance to be shared with the Committee.</p>	
ARC/16/2223	<p>CONFIDENTIAL: Claims and complaints</p> <p>This item was deemed confidential and was recorded in the confidential minutes.</p>	
ARC/17/2223	<p><u>Significant incidents and closures</u></p> <p>The Regional Schools Directorate's "Termination Warning Notice" for The Holgate Academy and the prepared and sent response plan were brought to the Committee's attention by Mr Cotton.</p>	
ARC/18/2223	<p><u>Risk Management</u></p> <p>Mrs Harvey referred to the report section 'Risk Management Update' on progress and next steps elaborating that ownership of risk management is evident in academies.</p>	
ARC/19/2223	<p><u>Corporate Risk Register- Appendix G</u></p> <p>Mrs Harvey reminded the Committee that the corporate risk register had been updated last year in relation to the strategic plan and objectives, Academies had been asked to look at Academy Improvement Plans to identify risks.</p> <p>Although the relationship between academy improvement plan risks and strategic objective risks are evident through discussions, the recording of this in GRCon presents a disconnected picture. This needs further work.</p> <p>Action: Further work to be undertaken between academy improvement plan risks and strategic objective risks to connect the recording of this in GRCon.</p> <p>Areas of a joined up approach is also evident, with examples such as Tuxford Academy recruitment and retention risk referencing the workforce planning from the Corporate risk register being cited, and East Leake Academy referencing trend in Key Stage 4, they have connected up projects and mitigations across the Academy to mitigate the reduction in risk levels.</p> <p>Trustees were updated that the scoring around risks registers have now been updated, there is more work to be carried out to normalise the scoring, but work will continue on this in the future.</p> <p>Trustees commented that this makes the scoring look as though some of them have moved but this is due to being updated with more detailed scoring and Mrs Harvey confirmed that this will be checked through quality assurance process.</p> <p>Mrs Harvey discussed Appendix F concerning risk escalation and the process to identify common themes.</p>	

	<p>Trustees commented that the flow chart provides clarity of how risk is transferred to corporate risk register from Academy level.</p> <p>Trustees then queried how risks from Board Committees are identified and fed into the process and Mr Corban confirmed that reports which are prepared for the Committees are first discussed at Executive Leadership Team meetings to discuss and ensure a joined-up approach of reporting risk and performance.</p> <p>Discussion took place regarding how threats and issues around risks are captured within the executive reports provided at the Committee meetings and whether a more formal agenda item is required for each committee clearly identifying risk discussion.</p> <p>Action: Recommend to Board standing agenda item on Committee meetings to consider any risks identified to be shared.</p>	IS
7. ARC/20/2223	<p>Review Internal Scrutiny report (This item was taken after item 3)</p> <p>Mr J Creed, ICCA, joined the meeting at 16.42</p> <p>The committee were informed that ICCA have been engaged to carry out the Internal Scrutiny Audit. This has been undertaken and is now in the process of being drafted into a report.</p> <p>Mr Creed informed the committee ICCA had not had the time to undertake a Governance Audit, but due to the current External Governance Review being undertaken by Browne Jacobson, the approach is to combine the two reports to cover all the elements for the Internal Scrutiny Report.</p> <p>Mr Creed informed the Committee that from the work undertaken by ICCA the opinion being issued would be a clean opinion but would not include governance, this would be covered by the Browne Jacobson report.</p> <p>Trustees thanked Mr Creed and Mrs Harvey for the work undertaken to produce the report.</p> <p>Trustees requested the Risk Management Audit Report and Internal Scrutiny Report be emailed to Audit and Risk Committee before it is reviewed at the Board.</p> <p>Action: Mrs Harvey to share Internal Scrutiny Report and Risk Management Audit reports once ready.</p>	RH
8. ARC/21/2223	<p>Internal Audit programme 2022/2023 (This item was taken after item 7)</p> <p>(This item was taken after item 3 in the meeting)</p> <p>Documents: <i>DAT – Report 01 21-22 Key Financial Controls Final</i>, <i>DAT Report 02 21-22 Chief Executive’s Expenses Final</i> and <i>DAT Report 04 21-22 Follow up of Previous Recommendations Final</i> were previously received by the Committee.</p> <p>Mr Creed provided the Committee with an update to the internal audit work carried out by ICCA.</p> <p>The reports which the Committee had received were discussed, noting that Key Financial Controls Audit received a reasonable opinion with four recommendations.</p> <p>Positive management responses have already been received and Mr Creed confirmed that he is comfortable with the responses.</p> <p>Chief Executive Expenses Audit report received a substantial assurance with only one low priority recommendation.</p> <p>Follow Up Audit of Previous Recommendations Report received substantial assurance. All recommendations had been implemented.</p> <p>ICCA identified an opportunity to improve the clarity of reporting the status of implementing recommendations within the Accounting Officer report. Mrs Harvey confirmed that this action had been identified by</p>	

ARC/22/2223	<p>management from the previous A&R meeting as an action point in the Accounting Officer Report.</p> <p>Trustees commented that the reports were very positive and noted the recommendation to have explicit follow up of recommendations within the Accounting Officers report.</p> <p>Mr Creed informed the Committee that the Risk Management Audit had been undertaken but was in the process of drafting the report. On the basis of findings, the conclusion is reasonable assurance.</p> <p>Mr Creed left the meeting at 16.45 (the committee then returned to the agenda order item 4)</p> <p><u>Draft Audit Programme – Appendix B</u></p> <p>Mrs Harvey discussed that there are a number of themes occurring from the operational risk register in several of the academies, such as Pupil Outcomes, Recruitment and Retention, Risk of Harm, Funding, Business Continuity and Reputational Damage. Some of these areas are already covered in the draft audit programme. These areas have been highlighted in bold on Appendix B.</p> <ul style="list-style-type: none"> • Business Continuity and Emergency Planning • Value for Money through effective procurement • Safeguarding • Consistency of curriculum provision and delivery • Impact of CPD on school improvement Behaviour/Exclusions • Attendance • GDPR • Leading a culture of improvement • Health and Safety <p>Discussion took place on the audit programme, areas of risk and committee escalation routes.</p> <p>Trustees discussed reputational damage and crisis management and suggested this could be included in the scope of Business Continuity and Emergency Planning Audit.</p> <p>Regarding planning the audit programme for 2023/24 it was discussed that Committees would be consulted.</p> <p>Audits already being carried out 2022/23 are:</p> <ul style="list-style-type: none"> • Review of Governance • Key Financial Controls as part of Internal Scrutiny • Risk Approach <p>The committee agreed for the following audits to be carried out this academic year:</p> <ul style="list-style-type: none"> • Business Continuity and Emergency Planning • Safeguarding • Impact of CPD on School Improvement <p>Other areas will be covered through Quality assurance processes over the next year.</p>	
9. ARC/23/2223	<p>Review Trustee year-end report Audit and risk section</p> <p>Document: <i>A&R Section for checking by IS and RH</i> was previously received by the committee.</p> <p>The committee agreed the wording updated for the trustee year-end report.</p>	
10. ARC/24/2223	<p>Strategic objectives 2022/2023</p> <p>Mr Cotton informed the Committee that this item was on the agenda to ensure cover all the Committees comments. The Document has already been reviewed by the Board. Objective 3 has been reviewed by the Finance and Resources Committee and Objective 2 by Standards and Outcomes Committee.</p>	

	The Audit and Risk Committee did not have anything to add to the report.	
11. ARC/25/2223	Policy Approval No policies requiring approval	
12. ARC/26/2223	Frequency of Committee meetings 2022/2023 It was discussed that the frequency for the current years Audit and Risk Committee meetings would remain unchanged. For 23/24 planning of meetings requires a meeting early in the academic year to finalise Internal Audit programme. Late November to sign off Internal Scrutiny report and towards the end of the academic year to agree the programme of audit work.	
13. ARC/27/2223 ARC/28/2223	Issues referred from the Board <ul style="list-style-type: none"> • (agenda item 6 Policies process and structure) This item was discussed in agenda item 6. Issues referred to Board <ul style="list-style-type: none"> - Policy templates purchased from Browne Jacobson - Templates and guidance to be circulated - Board agenda formal 'risks' to be considered if required as a standing agenda item at Board Committees. - The Committee agreed Internal Audit programme 2022/23. - Audit programme 2023/24 consult with Board Committees - Recommend to Board standing agenda item on Committee meetings to consider any risks identified to be shared 	
14. ARC/29/2223	Determination of confidentiality of business Trustees considered whether anything discussed during the meeting should be deemed as confidential. It was resolved: <ul style="list-style-type: none"> - That an item reported under agenda item 6 ARC/16/2223 shall be confidential to the Committee and its attendees. - That the Claims and Complaints appendix to the Accounting Officer report would remain confidential. Equality Act consideration There had been no Equality Act implications Nolan Principles Attendees were content that all decisions made adhere to the seven Nolan principles.	
15. ARC/30/2223	Date and time of next meeting: Wednesday 1 March 2023, 4.30pm via Microsoft Teams	

Meeting closed 17.55

Minutes approved: On 1/3/2023 minute number ARC/33/2223

Agenda item 5: Matters Arising:
ARC/06/2223

Minute reference	Meeting date raised	Action required	Owner	Date due	Status	Comments/progress
ARC/58/2122	15/06/2022	Action: Claims and complaints (internal audit) report to be shared with committee members once finalised.	R Harvey	asap	In progress	Appendix H of Accounting Officer report October 2022. This item is now complete.
ARC/58/2122	15/06/2022	Action: Provide committee with an update on options and timescales regarding internal audit.	R Harvey	asap	Complete	Extraordinary meeting held 13/07/2022 for AR committee to discuss options for Internal Audit. This item is now complete.
ARC/58/2122	15/06/2022	Mrs Harvey agreed to update appendix A and to show mandatory areas and any that can be delayed. Action: Appendix A – Audit programme to be updated as above.	R Harvey	09/11/2022	In progress	This item was discussed as part of the agenda and also included as Appendix B of Accounting Officer report October 2022. This item is now complete.
ARC/59/2122	15/06/2022	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	R Harvey	09/11/2022	In progress	This information was reported in the Accounting Officer report October 2022. This item is now complete.
ARC/63/2122	15/06/2022	Action: Mrs Harvey to bring a document to the next meeting to show process of how risks appear on corporate risk register.	R Harvey	09/11/2022	In progress	This item was included as Appendix F of the Accounting Officer Report October 2022 and discussed during the meeting. This item is now complete.
ARC/70/2122	15/06/2022	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.	R Harvey	asap	Complete	Extraordinary meeting held 13/07/2022 for AR committee to discuss options for Internal Audit. This item is now complete.
ARC/77/2122	13/07/2022	It was suggested that Cooper Parry should cover the costs of engaging another company to carry out the work not yet completed under the contract, and other expenses/losses that DAT incurs. Action: Follow up with Cooper Parry as above.	R Harvey	asap	In Progress	This item is no longer applicable. This item is now complete.