

**Diverse Academies Trust**  
**Minutes of the Audit and Risk Committee Meeting**  
 01 March 2023 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	A
Mrs R Harvey	RH	Executive Business Leader	
Mr J Creed	JC	Internal Auditor,	
Mrs J Harrison Hill	JHH	Company Secretary and Governance Professional	

Agenda item number	Item	Action by who/when
1. ARC/31/2223	<b>Apologies for absence</b> Apologies for absence were received from Mr G Corban	
2. ARC/32/2223	<b>Declaration of interest and any changes to be advised</b> 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.	
3. ARC/33/2223	<b>Minutes of the meeting dated 09 November 2022</b> The minutes of the meeting, having previously been received were agreed by the chair.	
4. ARC/34/2223	<b>Matters Arising:</b> See action log on page 7	
5. ARC/35/2223	<b>Internal Scrutiny Report</b> <ul style="list-style-type: none"> <li>• ICCA Internal Scrutiny: Audits and Annual Review</li> <li>• Trust Internal Scrutiny Report 2021-22</li> </ul> Document: <i>Accounting Officer report Appendix D</i> was previously received by the Committee. Mr Creed summarised the ICCA Annual Internal Scrutiny report shared with the Committee. The report provided reasonable assurance opinion that risk management arrangements and systems of internal control were operating adequately and effectively.	

<p>ARC/36/2223</p>	<p><b>The chair commented</b> that a wider Internal Scrutiny report had been prepared by the Trust incorporating the ICCA Internal Scrutiny report, and referring to the Browne Jacobson External Review and audits carried out by the central compliance, quality and risk team.</p> <p><u>Risk Management</u></p> <p>Mr Creed discussed the audit of risk management carried out, reminding the committee that at the last meeting the report was in draft form. Reasonable assurance opinion had been provided across all areas of the review.</p> <p>Mr Creed commented that risk management is in a state of development. It was identified that at the time of the review academies were producing risk registers which were attached to academy improvement plans. Risk registers which were considering operational risks, quality of staff, staff recruitment and retention, curriculum quality and student experience. A small number of academies had raised an additional area, governance, related to the strength of local governance and ability to recruit members. Mr Creed described distinguishing between management issues and risks as a challenge for academies.</p> <p>Mr Creed then discussed the audit findings with regard to the corporate risk register, which linked to the strategic objectives. The challenge was how to cross reference and triangulate risks from academies risk registers with the corporate risk register.</p> <p>Recommendations in the report relate to risk appetite, assurance mapping and the link between academy risk registers and the corporate risk register.</p> <p>Following the audit changes have been implemented and the corporate risk register is now fed by issues from academy risk registers, but also top-down issues raised at Trust level.</p> <p><b>Trustees referred</b> to the action plan from the report and commented that the first area is risk appetite, this is being discussed and a second Board risk appetite meeting is being scheduled.</p> <p>The second recommendation was scoring, moving from 1-3 to 1-5, this has been actioned.</p> <p>The third recommendation was assurance mapping, this is the final step to be completed when everything else is in place.</p> <p>Mr Creed left the meeting at 16:49</p> <p><b>Trustees proposed</b> the Internal Scrutiny plan for 2022/23 would involve ICCA carrying out the internal audits required to contribute to the Trust Internal Scrutiny report.</p>	
<p>6. ARC/37/2223</p> <p>ARC/38/2223</p>	<p><b>Accounting Officer Report</b></p> <p>Document: <i>Accounting Officer Report Feb 2023</i> was previously received by the Committee.</p> <p>Trustees noted the report and agreed it had been read.</p> <p><u>Progress on educating and embedding Risk Management</u></p> <p>Mrs Harvey referred to the report, explaining that the process is currently in a period where the outcome of risk management is starting to inform the audit programme; Ensuring that the corporate risk register is fed from academy risk registers and feeds into discussions at Audit and Risk Committee to identify focus areas, audit programme and quality assurance reviews.</p> <p>Risk appetite with regard to growth has been discussed by Trustees and a meeting is being scheduled to discuss risk appetite in other areas. A Programme is in place for the current year audits, with business continuity and planning audits in the process of being completed. The teacher strikes were reported as well managed from business continuity and emergency planning perspective.</p>	

<p>ARC/39/2223</p>	<p>Work has been undertaken to look at new strategies aligned to mitigate risks and management issues.</p> <p><u>Risk: Risk Register Exception Report, Risk Appetite</u> Document: <i>Risk Management process Feb 23 and Appendix B Corporate Risk Matrix</i> was previously received by the committee</p> <p><b>The chair advised</b> the committee that Mrs Harvey had been asked to provide a presentation on the process of risk management, to provide assurance regarding the process and to enable the committee to understand that the process is fit for purpose.</p> <p>The presentation was shared on the screen.</p> <p>Referring to slide 8, operational risk management practice, Mrs Harvey explained that the framework works within the guidance provided by the Department for Education and also Government Finance Function Risk Appetite Guidance Note (Orange Book).</p> <p>Mrs Harvey discussed the process presented on the slide.</p> <p><b>Trustees queried</b> where the challenge and scrutiny from Audit and Risk Committee arises on the judgement made on risks which are not progressed through to the corporate risk register.</p> <p>Mrs Harvey explained that the scrutiny arises in Audit and Risk through sources such as executive reports, committee feedback, Browne Jacobson reports, audit reports, academy improvement reviews and educational review meetings.</p> <p><b>Trustees further questioned</b> if the process produces individual risk registers for each academy with the same classification for each, it was confirmed that this was the case.</p> <p>A detailed discussion regarding the process of identifying risks and evaluating them for inclusion on the corporate risk register was held.</p> <p>Mr Cotton explained that the strong leadership and management and governance structure ensures that when the corporate risk register is presented to the Board it is exception reporting, having been through a rigorous process with Local Academy Committees, Business Managers, Principals, Executive Principals and Business Leaders, Executive Leadership Team and Chief Executive team, with a hierarchy of accountability on the route to Trustees. Browne Jacobson reports on sector issues are also utilised to test against our academies. Internal Scrutiny reports also test and give reasonable assurances.</p> <p>At Trustee stage the information is an aggregation of differing points of information to ensure reporting an accurate reflection.</p> <p>A discussion was held on whether the report to Audit and Risk Committee should show the whole range of relevant risks that have been considered prior to forming the corporate risk, to show the range of risks prior to selection for the corporate risk register, so to enable the Audit and Risk Committee to view the process.</p> <p>It was resolved that Mrs Harvey and Mr Cotton would model the information that builds to the Corporate Risk Register to provide further understanding and clarity of where and how the information is aggregated, for the next meeting.</p> <p><b>Action:</b> Document to model aggregation of information and elimination of subjectivity to build up corporate risk register.</p> <p>The Risk Appetite Meeting is scheduled for 9 March, pre reading documents and agenda have been sent to Trust Board.</p> <p><b>Trustees agreed</b> to use the Corporate Risk Register as it currently is for the risk appetite session.</p>	<p>RH/DC</p>
<p>ARC/40/2223</p>	<p><u>Internal Audit Programme Update</u> The Committee were updated that Business Continuity audits are currently in progress.</p>	

<p>ARC/41/2223</p> <p>ARC/42/2223</p> <p>ARC/43/2223</p> <p>ARC/44/2223</p> <p>ARC/45/2223</p>	<p>Safeguarding audit is being planned for the end of the year. Impact of CPD on school improvement audit was planned to be carried out internally, it was reported that the resources to carry out the audit this year may not be available. The Association for Professional Learning have recognised improvements in how the Trust deal with CPD and development of programmes for staff. It is considered that identifying the impact of these developments will be clearer next year, it was suggested that the audit is moved into next year's audit programme to fully appreciate these developments.</p> <p>The committee agreed to moving the audit of CPD impacts on school improvements to next year.</p> <p><b>Trustees raised</b> that there is a need to start to confirm the internal audit programme for 2023/2024.</p> <p>Mrs Harvey confirmed that reviews are underway to identify areas for audit.</p> <p>The committee <b>agreed</b> to include focused Health and Safety audits as part of a three-year cycle.</p> <p><u>Claims</u></p> <p>The committee were informed that the termly Browne Jacobson report is noting an increase in the sector for claims and complaints, this is not currently the case in the Trust. There are no claims giving any major concerns or risk.</p> <p><u>GDPR</u></p> <p>The Accounting Officer report provided an update on GDPR.</p> <p><u>Websites</u></p> <p>There is a cyclical approach to website compliance as detailed in the report.</p> <p><u>Significant incidents and closures</u></p> <p>The Accounting Officer report provided an update on strikes and how emergency planning is being managed around these events.</p> <p><u>Safeguarding</u></p> <p>The Accounting Officer report provided an overview of risk levels identified in the corporate risk register and the Standards and Outcomes Committee received an update from the Safeguarding lead on issues being seen across the academies.</p>	
<p>7.</p> <p>ARC/46/2223</p>	<p><b>Discuss Audit arrangements and areas for Audit 2023/2024</b></p> <p>A discussion was held on the preferred approach for internal audit programme for 2023/2024, discussing the pros and cons of each method. The timeline for a potential tender process was discussed.</p> <p>It was suggested that due to the strength of compliance evidence through completed audits, that internal resources are utilised for quality assurance rather than internal control.</p> <p>External consultants are being considered for Health and Safety audits, and for CPD audits. Behaviour and exclusions were suggested as a theme.</p> <p>It was considered that contracting an internal auditor brings in best practice and bringing information from the wider range of experience.</p> <p><b>Following Trustees questioning</b> if the pool of potential internal auditors was available <b>Trustees agreed</b> for Mrs Harvey to research potential providers and discuss tender process with procurement.</p>	
<p>8.</p> <p>ARC/47/2223</p>	<p><b>Review of Insurance arrangements and support provided</b></p> <p>The Committee were informed of the Insurance cover in place, with the DfE Risk Protection Arrangement (RPA) in place and certificates for each academy for 1 September 2022 to 31 August 2023. The RPA covers broad scope of advice and experience.</p>	

	<p><b>Action:</b> Mrs Harvey to provide the Committee with a statement of insurance and areas covered.  <i>(Post meeting note- this document was distributed to the committee on 6 March 2023 via email)</i></p>	<b>RH</b>
9. ARC/48/2223	<p><b>Review Year-End Financial Report &amp; Management Letter</b>  The Year-End Financial Report &amp; Management Letter had previously been discussed at Board meeting 7 December 2022. There were no management points for the Committee to consider.</p>	
10. ARC/49/2223	<p><b>Review the Register of Business Interests for all Members, Trustee, Academy Committee Governors and Executives.</b>  The Committee were updated that the governance professionals request all Governors, Trustees and Senior Leaders complete a Declaration of Interest at the start of Each academic year.  The Trust and Academy websites had been checked to ensure published document of declarations.  Declarations made include family connections with the Trust, any business connections and connections to other organisations/charities.</p>	
11. ARC/50/2223	<p><b>Strategic objectives 2022/2023</b>  The strategic objectives had been discussed at the Trust Board meeting, no issues had been referred to the Audit and Risk committee.</p>	
12. ARC/51/2223	<p><b>Policy Approval</b>  - Risk Policy  The Committee raised that within the policy some of the allocation of responses that are detailed as for the Trust Board have been delegated to Audit and Risk Committee.  The Committee <b>approved</b> the Risk Policy.</p> <p>- Equality Diversity and Inclusion Policy  The Committee <b>approved</b> the Equality Diversity and Inclusion Policy.</p>	
13. ARC/52/2223	<p><b>Issues referred from the Board</b></p> <p><b>Issues referred to Board</b></p> <ul style="list-style-type: none"> <li>• Discussion of Risk Register process</li> <li>• Review of Risk Management audit.</li> <li>• Review of Internal Scrutiny report</li> <li>• Internal audit arrangements for 2023/2024</li> <li>• Review of insurance arrangements</li> <li>• Review of declarations of interest</li> <li>• Policy approval_ Risk Policy and EDI policy</li> </ul>	
14. ARC/53/2223	<p><b>Determination of confidentiality of business</b>  Trustees considered whether anything discussed during the meeting should be deemed as confidential. It was resolved:</p> <ul style="list-style-type: none"> <li>- No confidential items had been discussed.</li> <li>- Items within the Accounting Officers report were deemed confidential.</li> </ul> <p><b>Equality Act consideration</b></p> <ul style="list-style-type: none"> <li>- The Equality Diversity and Inclusion Policy was reviewed and approved.</li> <li>- Equality Diversity and inclusion training is scheduled online for Governors and Trustees for 2 March 2023.</li> </ul> <p><b>Nolan Principles</b>  Attendees were content that all decisions made adhere to the seven Nolan principles.</p>	
15. ARC/54/2223	<p><b>Date and time of next meeting:</b> Wednesday 28 June 2023, 4.30pm via Microsoft Teams</p>	

	Mrs Harvey submitted her advance apologies for the next meeting 28 June 2023.	
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The meeting closed at: 18:12

Minutes agreed by Chair: 20 June 2023 minute number ARC/57/2223

Agenda item 5: Matters Arising:  
ARC/34/2223

Minute reference	Meeting date raised	Action required	Owner	Date due	Status	Comments/progress
ARC/07/2223	09/11/2022	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.	J Harrison Hill	01/03/2023	In Progress	This item was discussed as an agenda item on 1/3/2023. Complete.
ARC/08/2223	09/11/2022	Action: Educational Visits review report to be shared at Audit and Risk Committee 1 March 2023 meeting.	R Harvey	01/03/2023	In Progress	The educational review reports was an appendix to the Accounting officer report for meeting 1/3/2023. Complete.
ARC/16/2223	09/11/2022	Action: Mr Corban will confirm the value of the claim and report back to the committee.	G Corban	ASAP	In Progress	Mr Corban shared details of the claims via email. Complete.
ARC/20/2223	09/11/2022	Action: Mrs Harvey to share Internal Scrutiny Report and Risk Management Audit reports once ready.	R Harvey	ASAP	In Progress	Documents have been shared as appendices to Accounting Officer Report. Complete.