Diverse Academies Trust
Minutes of the Audit and Risk Committee Meeting
Tuesday 20 June 2023 at 4.00pm, 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 K Bonser	KB	Consultant	
Mrs J Harrison Hill	JHH	Company Secretary and Governance Professional	

Agenda item number	Item	Action by who/when
1. ARC/55/2223	**Apologies for absence** There were no apologies for absence.	
2. ARC/56/2223	**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.	
3. ARC/57/2223	**Minutes of the meeting dated 01 March 2023** The minutes of the meeting, having previously been received were agreed by the chair.	
4. ARC/58/2223	**Matters Arising:** See action log on next page	

5.
ARC/59/2223
	Accounting Officer Report
	Mrs Bonser shared documents:
	   o Academies CBCP Audit Report 23
	   o Trust CBCP Audit report 23
	   o Head Office Audit Report 23
	on the screen.
	The Committee were updated that Mrs Bonser had been engaged to undertake an internal audit on Business Continuity.	

	The audit scope covered Trust, Academy and Head Office working alongside partners in the building. Mrs Boner informed the committee that at the time of the audit business continuity frameworks were not in place, as a result the audit was moved to auditing emergency planning. Business Continuity will be reviewed once the framework is in place. **Trustees raised** that they had not had sight of the document prior to the meeting but due to the next meeting not planned until October they would receive the update. It was clarified that the report was not finalised until the previous day, management responses are still being collated alongside academies responses. The reports will be shared with management responses once completed.	
ARC/60/2223	Mrs Bonser discussed the Trust CBCP Audit Report first. A detailed breakdown of the report was given summarising that sections 1 and 2 of the audit were graded amber: medium (reasonable) assurance, application and compliance knowledge is known but not formally recorded. Section 3 was graded red: low (limited) assurance as currently there is not a framework in place. The Committee were informed that overall assurance opinion for the Trust Business Continuity planning was amber: medium (reasonable) assurance due to no formal framework in place. However, a draft framework was being reviewed and staff were aware of responsibilities. Recommendations were detailed in the report, Mrs Bonser discussed the recommendations in detail and management responses are being drafted for future monitoring by the Committee. **Trustees requested** that once the management actions have been drafted the report is shared to enable committee members to view. The management responses will need to be reviewed at the next Audit and Risk Committee. Mrs Harvey confirmed that her intention is to get initial responses to Audit and Risk members ahead of the next Committee meeting. The audit has been a very through process, the recommendations inform how the Trust can improve and provides an understanding of the proportionate response required to ensure the organisation reaches a fully mature position in business continuity and emergency planning.	
ARC/61/2223	Mrs Bonser then discussed the Head office Audit Report 23. Informing Committee members that no emergency plan was in place for Head Office which is reflected in the gradings. The overall grading is red: low (limited) assurance. Detailed breakdowns of the findings and recommendations was discussed by Mrs Bonser, explaining that a collaborative approach is required. Mrs Bonser noted that knowledge and skills of the executive leaders and business leaders enabled them to be clear in their roles and responsibilities for business continuity planning, but no formal plan was in place for compliance. Mrs Harvey assured the Committee that an emergency plan for fire evacuation was in place and has been tested. **Trustees commented** that some of the PFI building providers many have difficulty providing continuity plans due to providers changing regularly. Mrs Bonser confirmed this had been the case for some PFI providers.	
ARC/62/2223	Mrs Bonser discussed the final audit report Academies CBCP Audit report 23. Detailing the findings and recommendations. The report details the percentages of academies able to answer the questions.	

	Best practice has been highlighted in the report for secondaries, primaries, and special schools. The overall grading for the audit is amber: medium (reasonable) assurance. Each academy has been graded and received its own report and recommendations pertaining to individual academies. Local Academy Committees and leadership teams are drafting the management responses. Mrs Bonser left the meeting at 16:41. **Trustees held** a discussion on how the reports were presented without being shared prior to the meeting or an item on the agenda, Mrs Harvey explained that delays to the report, due to time taken to audit all of the academies, had meant the report was only finished the day prior to the meeting. To avoid a lengthy delay Mrs Bonser had been asked to present to the Committee. **Trustees raised** that they were not aware that Mrs Bonser had been engaged to carry out the audits. Mrs Harvey clarified that the Accounting Officer report for the meeting held in March 2023 stated that Mrs Bonser had been engaged to carry out the work. **Trustees queried** why, given the legal requirements, this area of non-compliance is not a risk on the risk register. Mrs Harvey clarified that Business continuity and contingency planning (including emergency response) is included on the corporate risk register with a description of the current risk as 'Plans not in place that confirm our approach and protocols to plan effectively for known and unknown disruptions. Mrs Harvey expressed that plans are in place, but these are not formally recorded commenting that Trustees' views on the risk level would be a good discussion to hold. **Trustees raised concern** that the risk register scores the risk as 4 stable, but the audit is red rated low assurance, this presents a mis match. Mrs Harvey explained that the risk register scoring was produced prior to the audit. Mr Corban clarified that now the audit has been carried out the findings of the audit will be used to review the risk register, to assess if the audit issues raised require the level of risk to be raised. This is an area that executives requested an audit on to gain assurance, response to emergencies is strong within academies and the trust, testing of IT has been carried out externally and certified, context and perspective in terms of the legal requirements is required and practical resources to become compliant. Management responses will be synthesised to consider if the level of risk should be increased. A formal response will be brought back to the Committee. **Trustees raised** that the greatest exposure to risk is the emergency planning. Mr Corban confirmed that emergency planning is in place for the academies, it is understood that there is not a legal requirement for emergency planning at Trust level. Mr Corban recognised that Trustees had concerns regarding the audit findings and confirmed that management responses would be drafted and shared for further discussion and review of the risks and whether it should be increased on the risk register.	
ARC/63/2223	Accounting Officer report Document : Accounting Officer Report was previously received by the Committee. Mrs Harvey highlighted the following areas of the report:	
ARC/64/2223	Ofsted Inspections	

	Recent Ofsted inspection has been good, demonstrating the impact of the actions to manage risk and improve performance in academies.	
ARC/65/2223	To support the risk register around outcomes, the trust is engaging with National Behaviour Hub programme funded by the DfE and is also working with a DfE attendance advisor.	
	Risk management programme	
ARC/66/2223	Work continues on embedding the new approach to risk management.	
	Risk Management process	
ARC/67/2223	This item was covered in discussion during matters arising.	
	Corporate Risk Register Exception Report	
	Document Appendix A Risk Register exception report was previously received by the Committee.	
ARC/68/2223	**Trustees commented** that the exception report is a good addition to provide the level of detail required by the Committee.	
	Audit	
	The annual internal scrutiny report will be prepared in the same format as the previous year, providing an overarching narrative of performance in all aspects of Trust life and achievements, including the key financial controls report being carried out by ICCA.	
	The draft report will be presented at the Committee meeting in November for review and recommendation ahead of the Trust Board meeting.	
	Document: Appendix D Copy of Risk Audit – Management Actions Update June 2023 was previously received by the Committee.	
	Audit programme 22/23	
	The audit programme for the current year is detailed in the Accounting Officers report in section 3.2 with Appendix D showing updates of management responses.	
	The Committee were informed that safeguarding quality assurance review was very strong, the full report was reviewed in the Standards and Outcomes Committee.	
	Educational visits review update- informed the Committee of meeting held in the previous month to ensure compliance, reinforcing the guidance policy with visit co-ordinators.	
	Document: Appendix C GDPR Report 2023 was previously received by the Committee.	
	The Committee were informed that strong controls are in place for GDPR.	
	Regular random checks are undertaken on academy websites, with horizon scanning process used to ensure preplanning ahead of updates to required published information.	
ARC/69/2223	Key Financial Controls audit will be completed in July.	
	Future audit programme 23/24	
	The appointment of internal auditors takes place in June 2023.	
	2023/24 audit programme will consider the review of the themes raised from risk register and Browne Jacobson's termly update.	
	Areas currently on the proposed programme include Safeguarding, Impact of CPD on School Improvement, Attendance and Behaviour.	
	Trustees agreed the current areas proposed for 2023/24 audit programme.	
	Trustees raised that the next Audit and Risk Committee is not until October 2023, to avoid a delay in commencement of internal audits it would be helpful to have the programme developed by the end of July.	**RH**
	Action: Mrs Harvey to share audit programme for 2023/24 by end of July for agreement by Committee.	
ARC/70/2223	Operational Update- Internal Controls	

ARC/71/2223	The Committee were apprised that work is underway reviewing standard operating procedures. This will feed into policies.	
	Claims and Complaints	
	Document: Appendix B Claims and complaints detailed report was previously received by the Committee.	
ARC/72/2223	No questions were raised regarding the Claims and Complaints report.	
	GDPR	
	Document: Appendix C GDPR Report June 2023 was previously received by the Committee.	
ARC/73/2223	No questions were raised regarding the GDPR report.	
	Fraud, Regularity, Whistleblowing, Impropriety and Bribery	
ARC/74/2223	The Committee were updated that there were no incidents to report.	
	Significant Incidents and Closures	
ARC/75/2223	Strike days will continue to be managed through operational management process for business continuity.	
	SEND Reviews	
	The Accounting Officer report updated on SEND reviews carried out and provided an overview of findings. Detailed reports are provided to the Standards and Outcomes Committee for review.	
ARC/76/2223	Safeguarding	
	Detailed Safeguarding reports are received by Standards and Outcomes Committee. Recent Ofsted inspections have found safeguarding arrangements to be effective.	
ARC/77/2223	Matters raised from trust board to audit and risk committee.	
	To keep the committee informed of the topics being considered at other Committees, it is proposed to the Committee that risk-related issues raised at Board Committees be raised in the report.	
	Trustees commented that audit and risk need to be assured that these issues are picked up as part of the risk process.	
6. ARC/78/2223	**External and Internal Audit plans 2023/24** This item was discussed during Accounting Officer report agenda item 5.	
7. ARC/79/2223	**Appointment of Internal Auditors-** This item was discussed during Accounting Officer report agenda item 5.	
8. ARC/80/2223	**Internal Scrutiny report and Trust Annual Report** This item was discussed during Accounting Officer report agenda item 5.	
9. ARC/81/2223	**Board Risk Appetite Meeting** The Board risk appetite meeting is being held on 21 June 2023. Pre reading has been shared with Trustees.	
10. ARC/82/2223	**Strategic Objectives update** The Committee agreed that the detailed report discussed by the Board had no areas specifically for Audit and Risk to cover further.	
11. ARC/83/2223	• **Draft Committee Dates 2023/24** • **Draft AR Committee agenda framework 2023/24** The Committee agreed the Committee dates for 2023/24 and the agenda framework.	
12. ARC/84/2223	**Policy Approval** EDI Policy & Summary of Changes The Committee were informed that the Equality, Diversity, and Inclusion (EDI) policy had been created working with an external consultant as part of a wider programme to embed EDI into the Trust. **Trustees approved** the EDI Policy.	
13. ARC/85/2223	**Issues referred to/from the Board** • Discussed the Business Continuity audit reports.	

	• Internal Auditors to be appointed in June. • 2023/24 Audit programme discussed and further refinements. • Reviewed the Claims and Complaints and GDPR • Discussion was held on the risk process with further meeting to be held to clarify. • EDI policy approved.	
14. ARC/86/2223	**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 **Equality Act consideration** • The Committee reviewed and approved the EDI Policy developed in consultation with an external consultant as part of a wider programme of embedding EDI. **Nolan Principles** • Attendees were content that all decisions made adhere to the seven Nolan principles.	
15. ARC/87/2223	**Date and time of next meeting:** Wednesday 4 October 2023, 4.30pm via Microsoft Teams	

The meeting closed at: 17:36

Minutes agreed by Chair:

Agenda item 5: Matters Arising:
DAT/XX/2222

Minute reference	Meeting date raised	Action required	Owner	Date due	Status	Comments/progress
ARC/39/2223	01/03/2023	Action: Document to model aggregation of information and elimination of subjectivity to build up corporate risks.	R Harvey		In progress	A follow up meeting held with Mrs Harvey, Mr Shearing and Mr Storey had been held to discuss what was required to provide assurance of process for preparing the risk register, covering inputs and aggregation/synthesis of how end up with the risk register. Trustees assured executives that they do not have concerns about how trust manages risk. But remain unclear to be able to sense check the process that gets to outturn to assure board of the process. Discussion was held regarding how to reach an understanding of what Trustees require to assure themselves of the process. **Action:** A meeting to be arranged between trustees and Mr Cotton, Mr Corban, Mrs Harvey to review information required to assure Trustees of the process.
ARC/46/2223	01/03/2023	Action: Mrs Harvey to research the availability of suitable internal audit providers and communicate with committee members.	R Harvey		In progress	The Committee were informed that a number of tenderers did not submit a bid due to capacity. Process is ongoing, interview with potential provider on Friday 23 June. This item is now complete.
ARC/47/2223	01/03/2023	Action: Mrs Harvey to provide the Committee with a statement of insurance and areas covered.	R Harvey		Complete	(Post meeting note- this document was distributed to the committee on 6 March 2023 via email)