

Diverse Academies Trust
Minutes of the Audit and Risk Committee Meeting

Wednesday 29 November at 4.30pm, held via Microsoft Teams.

Quorum required:2

Committee members present: 2

Trustee name	Initials	A = absence
Mr M Quigley MBE	MQ	
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 G Gillespie	GG	Wylie Bissett Internal Auditor	
Mrs S Brook	SB	Wylie Bissett Internal Auditor	A
Mrs A Elway	AE	Head of Governance	
Mr P Richardson	PR	Head of IT	
Mrs J Harrison Hill	JHH	Company Secretary and Governance Professional	

Agenda item number	Item	Action by who/when
1. ARC/20/2324	Apologies for absence Apologies were accepted from Mrs Brook who was unable to attend the meeting.	
2. ARC/21/2324	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/22/2324	Presentation: Cyber Security Document: Information Security overview slides were shared on the screen and distributed after the meeting with the draft minutes. Mrs Elway discussed GDPR within the Trust, providing the Committee with an update on the framework and how this is implemented across the Academies and throughout Head office through practices, training and expectations. Information requests and breaches statistics were provided for the Committee, highlighting that these were similar to the numbers recorded in 2021/2022.	

	<p>Mrs Elway informed the Committee that the main cause of breaches were emails sent to the wrong recipient. To reduce further occurrences the parental communication system WeDuc is being utilised.</p> <p>Mr Richardson updated the Committee on Cyber Security using the presentation slides, discussing the threat versus vulnerability to cyber incidents, and mitigations in place as detailed in the slides to reduce exposure.</p> <p>The actions to be taken for reducing vulnerability within the current year were presented.</p> <p>Mr Gillespie referred to the mitigations detailed, querying if Cyber Essentials basic package or Plus was being used, informing that the Plus package will cover the penetration testing and is the direction that the EFSA are moving with an indication that Cyber Essentials will become part of a condition of funding.</p> <p>Following discussion regarding common themes on cyber audits being servers or machines being out of date for supported Windows operating systems, Mr Richardson confirmed that the design of the network allowed easy transition and updates. All equipment due to reach unsupported dates is planned into the calendar to be removed before the date.</p> <p>Mr Gilliespie queried mitigations regarding data leakage referring to USB pens and Dropbox. Mr Richardson confirmed that USB pens and Dropbox had been blocked. Data leakage protection is in place with Microsoft inbuilt tools and firewalls, and data leakage protection system.</p> <p>Trustees queried the level of security breaches being picked up by the protections.</p> <p>Mr Richardson explained that the firewalls log a vast amount of information regarding access intrusion attempts, most of which are not threats but generic spam attempts. No security breaches had been detected as of the current date, but on occasions a number of phishing emails had been clicked.</p> <p>Trustees commented that the cyber landscape changes quickly and a yearly update would be useful. Mr Richardson added that if anything changes regarding cyber security or threats in the meantime this would be reported to the Committee through Mrs Harvey.</p> <p>The Committee were also informed that the Trust had gained accreditation for passing the Cyber Essentials test for the year.</p> <p>Trustees had no further questions.</p> <p>Mrs Elway and Mr Richardson left the meeting at 17.02</p>	
<p>4. ARC/23/2324</p>	<p>Minutes of the meeting dated 4 October 2023 The minutes of the meeting, having previously been received were agreed by the Chair.</p>	
<p>5. ARC/24/2324</p>	<p>Matters Arising: See action log on next page</p>	
<p>6. ARC/25/2324</p>	<p>Risk Management Document: Risk Register template was previously received by the Committee.</p> <p>Mrs Harvey described the risk register template as trying to ensure the committee members have an understanding of the inputs, asking the Committee for views on the report.</p> <p>Trustees commented that starting with a top-down view of possible risks, categorised using the orange book was considered as the right direction of travel, with issues leading to a risk column being more descriptive.</p> <p>Discussion was held regarding rating of risks, with individual risks being rated and then collated. Grouping of risks to categories was deemed a good approach due to risk appetites being set by category.</p>	

	<p>Trustees queried when the final draft of the risk register would be populated and scored.</p> <p>Mrs Harvey agreed the final draft would be ready for the next Committee meeting. Further work on risk appetite levels by Trustees is also needed.</p>	
7. ARC/26/2324	<p>Audit Internal Scrutiny <u>Internal scrutiny report</u></p> <p>Document: Internal Scrutiny Report was previously received by the Committee.</p> <p>Mrs Harvey highlighted that changes have been made to Business Continuity which have been moved to amber, due to confidence of reviews and audits which have taken place over the year.</p> <p>Trustees commented that the complete audits have been added as appendices for Business Continuity and Key Financial Controls rather than a summary. Following discussion it was agreed that a summary of the audits would be included, with the wording agreed by ICCA and Karen Bonsor Consultancy, and the report forwarded to the Committee ahead of approval at Trust Board meeting on 6th December.</p> <p>Action: Mrs Harvey to summarise audit reports for inclusion into Internal Scrutiny report, and agree wording with ICCA and Karen Bonsor Consultancy, for recommendation by Committee to Board.</p>	RH
ARC/27/2324	<p><u>Audit programme</u></p> <p>Documents: Audit programme report and Appendix D Internal Programme report were previously received by the Committee.</p> <p>Mr Gillespie informed the Committee that scoping work had begun, with a planning meeting being held in early December, audits are commencing in January.</p> <p>Trustees raised the risk management audit date, querying if that was an appropriate start date given the refresh being carried out on risk reporting. Following discussion on the audit being centred on process and assurance of how information is integrated and reported to the committee, it was felt that the timing would still be appropriate.</p>	
ARC/28/2324	<p><u>Management Actions Tracker of responses</u></p> <p>Documents: Management Actions Tracker update November 23, Appendix C: Overview of Management response to BC EP Audits September 2023, Trust CBCP Audit Report, Head Office CBCP Audit report, Academies CBCP Audit report, Key Financial Controls report were previously received by the Committee.</p> <p>Trustees discussed the Business Continuity management responses implementation dates, and requested that the actions assigned for end of February 2024 could be brought forward to ensure they were reported at the Audit and Risk Committee meeting on 28 February 2024.</p> <p>Mrs Harvey explained that the plan is currently in draft form bringing together cyber security, emergency planning and a review of the recent incident at Thrumpton Primary, to incorporate any improvements learnt and best practice encountered during management of the incident. The final draft is expected to be ready before the meeting in February.</p> <p>The Key Financial Controls management responses were now complete.</p> <p>Trustees queried if there were any management responses prior to the previous year which remain outstanding.</p> <p>Action: Mrs Harvey to confirm in the report to the Committee in February if there are any items outstanding from previous years. Moving forward the Committee will at the last meeting each academic year agree any items to be carried forward for the following year.</p>	RH

<p>ARC/29/2324</p>	<p><u>External Scrutiny</u> <u>Tracking of management responses to previous external audits</u> Document: External Audit Management responses was previously received by the Committee. Mr Storey observed that the external audit report was a clean audit report, the report had also been presented to the Finance and Resources Committee. The report had flagged the Harpur Trust v Brazel ruling and this remains a risk until the outcome of new legislation. The risk has been mitigated by the Trust and should be included in the risk register until the legislation is complete. Mr Gillespie suggested that the Finance and Resources Committee should receive the financial statements and the Audit and Risk Committee should receive the external audit findings. Mr Gillespie also suggested that it is not good practice for Audit and Risk Committee members to sit on Finance and Resources Committee to ensure independence, recommending separate membership for these committees. It was noted that all Trustees had been invited to attend the Finance and Resources Committee meeting to consider the external audit report. Mr Storey noted that the terms of reference of the Finance and Resources and Audit and Risk Committees define the responsibilities for each committee. Action: Mr Storey will raise these suggestions with the Board.</p>	<p>IS</p>
<p>8. ARC/30/2324</p>	<p><u>Accounting Officer report</u> Document: Accounting Officer Report was previously received by the Committee. The Accounting Officer report contained information under the following headings:</p> <ul style="list-style-type: none"> • Overview by Accounting Officer • Safeguarding update • Fraud, Regularity, Whistleblowing and Bribery breaches • Data breaches (GDPR) • Complaints (formal) <p>Trustees raised the discussion with the ICO on the Subject Access Request detailed in the report. The ICO had advised that the Trust explain in more detail what had been done to meet the request. A response to the ICO is being provided on how the Trust discharges its accountability. Action: Mr Corban will provide an overview of the issue and how this was dealt with at the next Committee meeting. The ICO had not given any indication that action taken by the Trust was not as required. Trustees referred to 3.5.2 Major Incidents/Closures within the report, asking if there were any learning areas to be taken forward following the incident. Mr Corban responded that the incident provided assurance that when business continuity policies are implemented, there are strong practices in place which have enabled being able to support a school to reopen in a very short space of time. Trustees referred to 4.1 of the report asking if the data breach in an academy was related to the SAR reported. It was confirmed that they were not connected.</p>	<p>GC</p>
<p>ARC/31/2324</p>	<p><u>Browne Jacobson Termly Report</u> Document: Browne Jacobson Termly report was previously received by the Committee.</p>	

	<p>Following Trustees raising the question Mrs Harvey confirmed that the view of risks in the report feeds into the risk identification process.</p> <p>Trustees referred to part C of the report, checking that the high priority area regarding catering had been dealt with operationally, Mr Corban confirmed that it had.</p>	
9. ARC/32/2324	<p>Review Register of Business Interest for members, Trustees, Governors and Executives</p> <p>The Committee noted the Register of Business Interest for members, trustees, Governors and Executives. No areas of concern regarding conflicts of interest were noted.</p>	
10. ARC/33/2324	<p>Policy Approval</p> <ul style="list-style-type: none"> • Privacy notices: Members, Trustees and Governors (changes), Staff, Students (changes). Parents & Carers (Changes) were previously received by the Committee, were reviewed and noted. • Freedom of Information policy & Summary of changes were previously received by the Committee. The Committee approved the policy. • GDPR policy & Summary of changes were previously received by the Committee. The Committee approved the policy. • SAR Request form & Summary of changes were previously received by the Committee. The Committee noted the form. • Whistleblowing policy & Summary of changes were previously received by the Committee. The Committee approved the policy. <p>Contract</p> <p>External Auditors annual extension of contract approval to recommend to Board.</p> <p>The Committee agreed to recommend to Board a one year contract extension and then consider if want to re-tender for the next academic year contract.</p> <p>The Committee discussed areas for deeper dives to be presented for assurance regarding risks. It was agreed to plan agenda for presentations once the full risk register is available to inform these topics.</p>	
11. ARC/35/2324	<p>Issues referred to/from the Board</p> <ul style="list-style-type: none"> ○ Committee members membership of Finance and Resources and Audit and Risk Committees. ○ Presentations of External Audit Report to Audit and Risk and Finance and Resources Committees. ○ Recommendation to Board to extend external audit contract for year ○ Risk reporting changes ○ Internal scrutiny report and summaries of appendices ○ Clean External Audit Report 	
12. ARC/36/2324	<p>Determination of confidentiality of business</p> <p>Trustees considered whether anything discussed during the meeting should be deemed as confidential. It was resolved:</p> <ul style="list-style-type: none"> ○ That no confidential information had been discussed. ○ The Accounting Officers report to be amended to remove identification of individual academies in claims section. <p>Equality Act consideration</p> <p>There had been no Equality Act implications.</p> <p>Nolan Principles</p>	

	Attendees were content that all decisions made adhere to the seven Nolan principles.	
13. ARC/37/2324	Date and time of next meeting: Wednesday 28 February 2024, 4.30pm, via Microsoft teams	

Meetings closed at 18:01

Minutes agreed by Chair:

Agenda item 5: Matters Arising:
ARC/24/2324

Minute reference	Meeting date raised	Action required	Owner	Date due	Status	Comments/progress
ARC/11/2324	04/10/2023	Data Breaches : Action: Cyber presentation from Head of IT at Audit and Risk Committee Meeting.	JHH/PR	29/11/2023	In progress	Presentation received. This item is now complete.
ARC/12/2324	04/10/2023	Complaints: Action: Information of trending complaints and categorisation to be brought to next Audit and Risk Committee meeting on 29 November 2023.	RH	29/11/2023	In progress	Now included in accounting officers report. Further work is required on more informative statistical information and trending. In progress.
ARC/12/2324	04/10/2023	Complaints: Action: Discussion between Mrs Harvey and Chair of Audit and Risk Committee to agree level of reporting on claims within Accounting Officer report.	RH	29/11/2023	In progress	This item is now complete.