

Diverse Academies Trust
Minutes of the Audit and Risk Committee Meeting

Monday 9 September 2024 at 4.30pm, held via Microsoft Teams.

Quorum required:2

Committee members present: 3

Trustee name	Initials	A = absence
Mrs M Blore	MB	
Mr M Quigley MBE	MQ	
Mr I Storey (Chair)	IS	
Mr R Vizma	RV	A

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 S Brook	SB	WBG	A
Mr G Gillespie	GG	WBG	A
Mr N Clark	NC	WBG	
Mrs J Harrison Hill	JHH	Company Secretary and Governance Professional	

Agenda item number	Item	Action by who/when
1. ARC/01/2425	Appoint Chair The Committee members were asked if any member wished to stand for election as Chair. Mr I Storey agreed to stand for re-appointment as Chair, committee members approved the re-appointment. Mr Storey then continued to Chair the meeting.	
2. ARC/02/2425	Apologies for absence Apologies for absence were received and agreed from R Vizma.	
3. ARC/03/2425	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.	
4. ARC/04/2425	Minutes of the meeting dated 05 June 2024 The minutes of the meeting, having previously been received were agreed by the Chair.	
5. ARC/05/2425	Matters Arising: See action log on next page	

<p>ARC/07/2425</p> <p>ARC/08/2425</p>	<p>Trustees queried if the annual report would form the internal scrutiny report. Mrs Harvey confirmed that this report would be the basis of the report.</p> <p>The Annual report executive summary by Mr G Gillespie concludes: 'In our opinion, Diverse Academies Trust did have adequate and effective risk management, control and governance processes to manage its achievement of the Trust's objectives at the time of our audit work. In our opinion, the Trust has proper arrangements to promote and secure value for money'.</p> <p>The Annual plan for 2024/25 had been discussed in the handover meeting, following alignment to meetings and committees, some proposed date changes had been discussed and these would be updated on the plan. Procurement audit would now be reported at the February Committee meeting. Cyber security would be moved to June Committee meeting.</p> <p>Trustees queried the request from Board to undertake a safeguarding audit and asked for clarification if this required a specialist auditor for the scope of the audit.</p> <p>Mrs Harvey confirmed that she had discussed the scope of the audit with the Chair of Standards and Outcomes to ensure it would meet the needs of the committee. The scope would be targeted towards the admin and record keeping organisation ensuring it supports the effective use of resources.</p> <p>The audit would be a deep dive on areas that are impacting on staff workload and in particular teachers' workload.</p> <p>External pressures create a risk which are identified on the risk register.</p> <ul style="list-style-type: none"> • Management action tracker <p>WB are producing a tracking document now that all last year's audits are complete to provide oversight of the completion of agreed actions and management response.</p> <ul style="list-style-type: none"> • External Auditors <p>Discussion was held regarding the extension of the external auditors contract and future tender process to ensure compliant with procedures.</p> <p>External audit information will be communicated to both Finance and Resources and Audit and Risk Committee.</p>	
<p>7.</p> <p>ARC/09/2425</p>	<p>Risk management</p> <ul style="list-style-type: none"> • Risk Register <p>Document: Risk register was previously received by the Committee.</p> <p>Trustees queried how changes or movement in the actions/mitigations column was identified from the previous version. It was confirmed that changes were in italics.</p> <p>Discussion was held regarding the importance of timescales to mitigate risks.</p> <p>Mr Corban suggested a system where updates to sections generate an alert to relevant committee members.</p> <p>Following a trustee querying, Mrs Harvey explained that the overview of risks has a column which shows direction of travel for the risk, currently movement is due to the format of risk register changing rather than risks changing, once the format is stable this will be easier to track movement going forward.</p> <p>Trustees discussed the post mitigation scores regarding attendance and behaviour, safeguarding and alternative provision. The appetite</p>	

ARC/10/2425	<p>for these areas with wider conversations to be held regarding risk appetite statements.</p> <ul style="list-style-type: none"> • Exceptions Reporting <p>Document: Exceptions reporting was previously received by the Committee.</p> <p>Mrs Harvey explained that the report highlights the changes to the risk register. The annual review of the risk register by the leadership team had been undertaken and was reflected in the report.</p> <p>The Accounting Officer report also raises some of the emerging threats particularly around digital technology and cyber threats. The committee were informed that there are many steps in place to protect the Trust.</p>	RH/IS/JHH
ARC/11/2425	<ul style="list-style-type: none"> • Proposed risk appetite statements <p>Discussion was held regarding how to move risk appetite statements development forward.</p> <p>The agreed approach was for examples of risk statements to be utilised to create a report for committees to use to ensure consistency, to assign statements to each individual risk with support from executives which support the committees. The intention over time to move to statements to risk areas.</p> <p>Mr Clark, WBG would share examples of good practice risk statements.</p> <p>Action: Mrs Harvey, Mr Storey and Mrs J Harrison Hill to meet to create report of statements for Committees to utilise for approval at the Next Audit and Risk Committee 13 November and Board Meeting 4 December 2024.</p>	
ARC/12/2425	<ul style="list-style-type: none"> • Browne Jacobson Report <p>Document: Browne Jacobson termly report was previously received by the committee.</p> <p>The Committee reviewed the report, noting that these are threats being seen across the sector.</p> <p>Trustees commented that it was comforting that the report did not highlight anything which had not already been considered by the Trust.</p>	
8. ARC/13/2425	<p>Technology and Information risks review</p> <p>Trustees agreed that a deep dive presentation would be provided on Cyber Risk at the committee meeting on 13 November 2024.</p> <p>The Committee discussed the current risk score for data and cyber-attacks being an average score of 7, appropriate mitigations are in place to reduce to an acceptable level.</p> <p>The committee noted the related technology and infrastructure issues with regards to finance and operations, if the Trust suffers a cyber-attack this is reflected in business continuity on the risk register.</p> <p>Mr Corban highlighted the new standards in the Academy Trust Handbook for technology and highlighted that there may be some element of risk in investment required to sustain these standards. An update will be provided once the new standards are fully understood.</p> <p>Trustees commented that it was considered the risk register identified the relevant known risks in technology and information, mitigations may change as new issues emerge. Following the presentation at the next committee meeting the risks will be reviewed more substantively.</p>	
9. ARC/14/2425	<p>Accounting Officer report</p> <p>Documents: Accounting Officer Report, Appendix A Claims Tracker and Appendix B Complaint trends were previously received by the committee.</p>	

	<p>The Accounting officer report reported on the following areas:</p> <ol style="list-style-type: none"> 1. Introduction and context 2. Financial Reporting 3. Data breaches and information requests (General Data Protection Regulation (GDPR)) 4. Cyber-Security 5. Major incidents and closures 6. Claims 7. Complaints 8. Safeguarding 9. Internal Audits 10. Horizon scanning and emerging threats <p>Mrs Harvey referred the committee to the report referencing some of the changes in the Academy Trust Handbook 2024 and the EFSA Accounting Officers letter July 2024 referencing areas of change in the handbook, the report refers to some of these areas outlining the approach being taken.</p> <p>Following Trustees querying, Mrs Harvey confirmed that the approach to internal audit within the Trust met these changes in the handbook, adhering to the requirement for independence and professionalism with the approach.</p> <p>Trustees noted the report on complaints and claims. Confirming that it was useful to see information on trends.</p>	
10. ARC/15/2425	<p>Policy Approval</p> <p>There were no policies requiring approval.</p>	
11. ARC/16/2425	<p>Issues referred to/from the Board</p> <p>From Board</p> <ul style="list-style-type: none"> • Request from S&O Committee to consider approach to Safeguarding as internal audit area for 24/25 programme. (discussion on external auditors with specialism for safeguarding) <p>Following the request from Standards and Outcomes Committee through the Board Meeting on 10 July 2024, the committee discussed under agenda item 6.</p> <p>To Board</p> <p>Risk Register</p> <p>Audit reports shared with all trustees between meetings</p>	
12. ARC/18/2425	<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"> • Document: Claims report was identified as confidential • Document: Complaints report was identified as confidential . <p>Equality Act consideration</p> <p>There had been no Equality Act implications during the committee discussions.</p> <p>Nolan Principles</p> <p>Attendees were content that all decisions made adhere to the seven Nolan principles.</p>	
13. ARC/19/2425	<p>Date and time of next meeting: Wednesday 13 November 2024, 4.30pm, at HQ</p>	

Agenda item 5: Matters Arising:

ARC/05/2425

Minute reference	Meeting date raised	Action required	Owner	Date due	
ARC/62/2324	05/06/2024	Action: Change from wording to scores for risk score post mitigation.	R Harvey	09/09/2024	This item is now complete.
ARC/62/2324	05/06/2024	Action: Technology and Information risks to be a standing agenda item on Audit and Risk Committee agenda.	J Harrison Hill	09/09/2024	This item is now complete.
ARC/63/2324	05/06/2024	Action: Board agenda item to discuss approach to risk appetite and statements development at Board meeting 10 July 2024.	I Storey	10/07/2024	The Board meeting 10 July 2024 discussed the approach to development of risk appetite statements. This item is now complete.
ARC/63/2324	05/06/2024	Action: Proposal for discussion timescale: first Committee meeting of the academic year 2024/25 to be related to risk register and second committee meetings to be related to risk appetite.	I Storey	01/12/2024	This item was discussed at Board Meeting 10 July 2024. This item is now complete.
ARC/63/2324	05/06/2024	Action: Discussion at Board in December to understand the risks and where appetite sits.	I Storey	04/12/2024	

The meeting closed at: 17.53

Minutes agreed by Chair: on 13 November 2024, minute number ARC/22/2425