Diverse Academies

Diverse Academies Trust
Minutes of the Audit and Risk Committee Meeting
Monday 2 March 2026 at 4.30pm, held via Microsoft Teams.

Quorum required:2
Committee members present: 3

Trustee name	Initials	A = absence
M Blore	MB	A
J Robertson	JMR	
I Storey (Chair)	IS	
R Vizma	RV	
Newly appointed Trustees observing committee:		
I Hylan	IH	
A Hardie	AH	

In attendance (staff or other invited persons):

Staff name	Initials	Role	A = Absence
D Cotton	DC	Chief Executive Officer and Accounting Officer	
G Corban	GC	Chief Operating Officer / Chief Finance Officer	
V Williams	VW	Head of Corporate Affairs	
S Archibald	SA	WBG (internal auditors)	
J Harrison Hill	JHH	Governance Professional	

Agenda item number	Item	Action by who/when
1. ARC/39/2526	**Apologies for absence** M Blore was not in attendance, apologies were received and accepted post meeting. I Storey welcomed A Hardie and I Hylan, newly appointed trustees who were observing the meeting. Introductions of attendees were undertaken**.**	
2. ARC/40/2526	**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/41/2526	**Minutes of the meeting dated 17 November 2025** The minutes of the meeting, having previously been received were agreed by the chair.	
4. ARC/42/2526	**Matters Arising:** See action log on page 8 and 9.	
5. ARC/43/2526	**Accounting Officer Report** **Document:** Accounting Officer report was previously received by the committee as part of the Audit and Risk Committee pre-reading pack Spring Term 2 2026. The accounting officer report detailed the following areas: Risk management Internal controls, audit and quality assurance Compliance and governance assurance Regularity, propriety and value for money	

	Whistleblowing and investigations Customer voice External audit assurance and recognition Statement of accounting officer assurance Trustees' question which were raised for the Accounting Officer report were: **Trustees queried** GDPR and cyber security training completion rates noting that a number of individuals had not yet completed the required training and expressed concern due to being halfway through the year. It was reported that approximately 7% of the workforce had not yet completed the training and that follow-up was ongoing. D Cotton stated that this level of non-completion was not acceptable and confirmed that efforts would continue to ensure full compliance. **Action:** Follow up on completion of GDPR and Cyber security training. Trustees queried whether time had been allocated within INSET days to support the completion of this mandatory training. It was confirmed that time had been provided in September. **Trustees also asked** about the recent test phishing email, asking how many individuals had been sent such emails in the recent exercise and what the outcomes of the phishing campaigns had been. G Corban confirmed that a formal report would be brought back to the Committee for the next meeting **Action:** Report on outcome of Phishing email exercise to committee at next committee meeting 8 June 2026. **Trustees referred** to the whistleblowing investigation in the report. **Querying** how the decision had been reached that a concern raised was not considered whistleblowing. G Corban explained that whistleblowing claims have a specific criteria to meet which is often misunderstood and as such those complaints, which do not meet these criteria, will be dealt with via the grievance procedure. **Trustees asked** about the iDrive incident linked to pupil access, asking how this issue originated. G Corban provided some details on the incident but would confirm specific at the next committee meeting. **Trustees asked** about the employment tribunals in the accounting officer report, and whether they were linked to the restructure undertaken last year. G Corban confirmed that the cases were separate from the restructure process providing more details around the cases.	**DC** **GC**
6. ARC/44/2526	**Internal Audit** <u>Payroll (verbal update)</u> S Archibald, internal audit WBG, provided an update on the internal audit for payroll. Explaining that following the closing meeting for the audit some additional information was provided, and this required additional testing, which had slightly stalled the process. An update had been sent to S Green, the key contact, together with the additional documentation. S Archibald reported that the audit was now at the point where the report could be issued and obtain the management responses. S Archibald advised that the overall substantial level of assurance was not expected to change. Some recommendations had been raised, but the additional work was not expected to alter these. The recommendations included a low-graded recommendation relating to the payroll review and authorisation process, the signing of contracts prior to employment commencing, statutory and occupational pay policy review, and the development of payroll procedures. The report remained in draft format. It was confirmed that the report would be ready for the next Committee meeting on 8 June 2026. G Corban noted that it had been a useful audit that would help address the identified areas.	

ARC/45/2526	**Trustees queried** which audits remained on the agenda for the rest of the year. S Archibald confirmed that the upcoming areas were estates management, staff recruitment and retention, and the follow-up review. Discussion was held on the timing of audit reports available for the June committee with S Archibald confident the audit schedule made this feasible. The committee briefly discussed the development of the following year's internal audit plan. **Action:** Gather suggestions for next year's audit plan through the Board meeting. S Archibald added that the annual report summarising the year's audits would be presented at the September meeting. G Corban reported that the planning meeting for the estates audit had been positive, with a good level of detail and scope, and expressed confidence that this audit would also be ready for the June Committee meeting. <u>Management response action tracker.</u> V Williams introduced the updated Management Response Action Tracker and explained that the previous format had been unwieldy. Feedback had indicated the need for a more accessible layout, resulting in a revised format providing a clearer summary narrative. While an operational spreadsheet would continue to sit in the background, the Committee would receive an executive summary. The tracker was now organised by risk level rather than by category. V Williams confirmed that there were no high-grade risks to report. Only outstanding actions were included in the new format, as actions are marked as completed, they should begin to drop off the report. V Williams emphasised the need for action owners to be honest about the current position of each item, noting that medium- and low-grade risks existed and that not all would necessarily be a priority given the breadth of activity across the organisation. **Trustees commented** the new format was easier to follow. Trustees also commented that it was helpful to have the spreadsheet available for validation and that the updated format made changes more accessible and easier to track. It was clarified that the new format was a condensed version of the Excel spreadsheet, containing all outstanding actions and their current status. **Trustees queried** how version control would be monitored. V Williams confirmed that the Word document would become the master version and would be updated for each meeting, allowing the Committee to refer back to earlier versions, to monitor progress confirming that the spreadsheet remains the key document with the summary providing the main themes. Following a **trustee querying** it was confirmed that timelines had been updated based on current activity, giving the example of the disaster recovery timeline had been amended to align the risk management priorities and procedures. **Trustees raised** that clear explanation of when action dates have been changed to ensure transparency should be included. **Trustees asked** about the rationale behind the £2,000 threshold for procurement, which had been a recommendation in the internal audit. G Corban explained that the threshold had previously been set at £1,000 but had been increased due to the high volume of requests. DfE guidance suggested a threshold above £5,000, but the Trust's amount was based on value, need, and an understanding of the number of transactions falling below the threshold. Consideration has been given to raising the limit to £5,000, as strong procurement practices are now in place.	JHH/Board agenda
7. ARC/46/2526	**AI (Advisory Audit)** **Trustees queried** why an AI advisory report had not yet been received by the committee.	

ARC/47/2526	S Archibald explained that the advisory report had not yet been finalised, as the formal management responses had not been received. It was noted that the approach to obtaining management responses had not been specifically requested by the Trust; however, there was an expectation that WBG would formally present their findings to this Committee. This would enable Trustees to gain a clear understanding of the Executive's position and intended response to the actions arising. **Trustees were concerned** that the advisory report had been in circulation since the middle of November 2025 and that, despite it being advisory, it should follow the due process for sign-off in the same way as a formal report by the committee. **Action:** S Archibald to follow up and provide the finalised version to the committee within the next few weeks. <u>AI Action Plan</u> The Committee then discussed the associated AI Action Plan. G Corban confirmed that the intention was to produce an internal AI action plan moving forward, including wider DfE guidance developments and providing a more comprehensive piece on AI. **Trustees noted** that it was difficult to discuss or develop an action plan without the final advisory report on which the plan would be based. **Action:** G Corban to bring AI action plan to committee meeting on 08 June 2026. It was agreed that AI would be added to the agenda for the next meeting. **Action:** AI to be added as an agenda item for June committee meeting.	SA GC Agenda
8. ARC/48/2526	**Risk management** **Documents:** Risk register review and risk report were previously received by the committee as part of the pre-reading pack. **Risk register** V Williams shared on screen an example of the revised risk register, setting out the proposed changes which had been detailed in the pre-reading pack. This represented a review of the risk register approach and how it could be made more embedded across the organisation. V Williams explained the review comments on the existing risk register. The revised version was now in Word format, with the risk overview shifting to focus on core principal risks rather than the consolidated and aggregated scoring method previously used. The new approach would present the top risks regardless of category. While categories might still be helpful for grouping related risks, they would not form the basis of overall reporting. V Williams reported that improvements would be made to descriptions around risk description, impact and controls, enabling risks to be viewed in a more consistent way. The revised approach also incorporated strengthened impact scoring descriptions to support more accurate scoring, with the detail captured within the risk procedures document. The tables for each risk area will be streamlined, reducing the number of columns and concentrating on the risk description, risk owner and manager, treatment, and post-treatment score. The new version will also incorporate a target score and scoring position against risk appetite. V Williams demonstrated on screen how the proposed risk register format would appear going forward, noting that the process promotes consistency in scoring, facilitates focused review of the principal risks, and ensures alignment with risk appetite and control resourcing. **Trustees asked** whether the revised approach would deliver improvements in the usefulness of the risk register. V Williams responded that some risks might be more appropriately located within academy- or functional-level risk registers, and that adjustments and amendments may occur as the process developed.	

	Trustees commented that the revised format was much clearer in showing the components of each risk and what the risks actually were, and that this would help determine the level of management required for each. **Trustees further commented** on the importance of achieving accurate scoring. Discussion continued regarding whether it was useful to retain both pre- and post-mitigation scoring, or whether a single codified impact measure would suffice. GC confirmed that this was addressed within the policy and procedures, and that improvements had been made by strengthening impact descriptions. The policy and procedure would support embedding a consistent approach across the organisation, ensuring that all stakeholders were interpreting risks in the same way. It was clarified that the procedural documents would be supported by further training and development as needed, with the procedures intended to create a standardised approach. **Trustees raised** the recruitment and retention risk, noting the similarity between the two and asking whether they should be separated. G Corban responded that they had previously been separate but had been brought together, as recruitment and retention were interdependent. However, if a risk evolved, a more specific risk may be drawn out. Following a **trustee query,** it was confirmed that the intention was for individual academies to adopt the revised format for their own risk registers once the process was complete. Trustees queried the absence of a separate PFI risk, noting that such arrangements could present risk to the Trust. G Corban explained that the intention was to avoid listing PFI as a standalone risk, and instead to identify and incorporate the associated risks, such as TUPE, financial implications, and capital costs of updating buildings. This allowed for a clearer understanding of how PFI-related issues impacted different risk areas. **Trustees asked** if the contract management arrangements in place for PFI were robust. G Corban explained that the main PFI-related risk lay with the local authority. **Trustees also queried** about the timing of the next PFI contract end dates. It was noted that East Leake Academy's PFI contract would end in summer 2027, with the remaining contracts ending in summer 2032. Further discussion took place on the role of sub-committees with the risk register, and how sub-committees would be supported in remodelling their risks. It was explained that executive input would be required. G Corban reported that a session at CET had taken place and another with ELT had been scheduled following this work, and remodelling would take place through executive risk-owners and risk-managers. Risk leaders, overseen by the C-suite, would then take the refined risks into agendas for further discussion. A reworked risk register would be brought back to the Audit & Risk Committee's June meeting after moderation. Executives would share material with sub-committees to review and agree, with the final output presented at the next Committee meeting. **Action:** Governance professional to add risk register to sub-committee agendas. A presentation is proposed to be given at the Board meeting in March to explain the process. **Action**: A3 copies of the risk register to be distributed at the end of the Board meeting for use in upcoming Committee meetings. S Archibald left the meeting at 17:37	JHH JHH
ARC/48/2526	**<u>Risk report</u>** V Williams discussed the risk report noting that it is designed to support risk assessments and risk scoring, providing contextual information alongside the organisation's internal knowledge. Trustees commented that the risk report was comprehensive and appreciated the scope of the document.	

	Trustees queried how often the committee would expect to receive a risk report and what the process would be for determining whether the risk register should be updated from the 'watch lists'. G Corban advised that the report would typically be produced at least annually and additionally when new publications emerged. It was clarified that the risk report would not automatically trigger changes to the risk register but might draw attention to areas requiring internal risk audit testing. **Trustees queried** who is monitoring such reports, questioning whether there were next steps to ensure the reports were flagged appropriately to those who did own each risk. It was confirmed that executives needed to adopt a more robust approach in highlighting relevant risks to sub-committees.	
9. ARC/49/2526	**Academy Trust Handbook 'must' compliance** **Document:** ATH must review was previously received by the committee a part of the pre-reading pack. The document shows compliance with the Academy Trust Handbook musts. Trustees noted the report.	
10. ARC/50/2526 ARC/51/2526	**Policies** **Documents:** Risk Management policy and Risk management procedures were previously received as part of the pre-reading pack. <u>Risk Management policy</u> V Williams informed that committee that minor adjustments had been made to the risk policy and were highlighted in the summary document. **Trustees approved** the risk policy. <u>Risk management procedures</u> The committee were informed that the risk procedures are new and were advised that feedback is welcome. The procedures purpose is to set the scene of how identified roles in the policy carry out their responsibilities. Provide a conclusive and succinct document which will evolve and improve as needed to ensure consistency in approach to risk management. These will be supported with targeted training.	
11. ARC/52/2526	**Issues referred to/from the Board** **From Board** There were no issues referred to the committee from the Board. **To Board** Risk register to be discussed at Board Internal audit update Board to consider areas for next year's internal audit plan Subcommittee agendas for next term to include risk register discussion.	
12. ARC/53/2526	**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** There had been no Equality Act implications **Nolan Principles** Attendees were content that all decisions made adhere to the seven Nolan principles.	
13. ARC/54/2526	**Date and time of next meeting:** Monday 8 June 2026, 4.30pm, via Microsoft teams	

The meeting closed at: 18:10

Minutes agreed by Chair: on 22 June 2026 minute number ARC/57/2526

Agenda item 5: Matters Arising:
ARC/42/2526

Minute reference	Meeting date raised	Action required	Owner	Date due	
ARC/26/2526	17/11/2025	**AO Report. Action:** Confirmation would be provided to the committee on any complaints that had progressed beyond stage 2 of the complaints process.	VW	02/03/2026	Format and content of AO report revised to include these details. This item is now complete.
		AO report. Action: Work to address number of unclassified complaints. Final committee report for year to include table showing total complaints and current stage.	VW/GC	02/03/2026	Format and content of AO report revised to include these details. This item is now complete.
		Action: Adjust accounting officers report to have separate sections for Fraud and whistleblowing.	VW	02/03/2026	Format and content of AO report revised to include these details. This item is now complete
ARC/27/2526	17/11/2025	**Internal Audit. Action**: G Corban to convey message of thanks to GDPR team	GC	02/03/2026	G Corban confirm this had been actioned. This item is now complete.
ARC/28/2526	17/11/2025	**Artificial Intelligence. Action:** G Corban confirmed that an action plan to address recommendations in Artificial Intelligence report will be brought to the next committee meeting.	GC	02/03/2026	This item was discussed in agenda item 7.
ARC/29/2526	17/11/2025	**Management response action tracker. Action:** Reporting of action tracking will be revised for easier reporting to trustees.	VW	02/03/2026	This item was discussed in agenda item 6. This item is now complete.

ARC/30/2526	17/11/2025	**Risk management. Action:** The committee agreed to include an item on the Board agenda for the meeting on 4 February 2026 to discuss the proposed approach, providing context on mitigation measures and scoring, risk appetite, and tolerance levels.	Board agenda	04/02/2026	This item was discussed in agenda item 8. This item is now complete.
ARC/30/2526	17/11/2025	**Risk Management. Action:** Reporting to draw out specific top ten risks post-mitigation scores and risks which are inherently high risk or high impact pre-mitigation	VW	02/03/2026	This item was discussed in agenda item 8. This item is now complete.
ARC/30/2526	17/11/2025	**Academy Trust handbook. Action**: Trustees to censor check areas assigned to audit and risk committee and notify J Harrison Hill of any areas where not aligned.	Committee members	02/03/2026	No areas had been highlighted as mis-aligned by the committee. This item is now complete.
ARC/31/2526	17/11/2025	**Review Internal Scrutiny report. Action**: WBG audit reports to be annexed to the Internal Scrutiny report.	VW	31/12/2025	It was confirmed that this had been actioned. This item is now complete.
ARC/32/2526	17/11/2025	**Approvals. Action:** Accounting officer report to provide nil response for health and safety when there is nothing to report or detail issues related to health and safety.	VW	02/03/2026	Now included in Accounting Officer report. This item is now complete.
ARC/33/2526	17/11/2025	**Review of Business Interests. Action:** update of declaration completion to be brought to committee at next committee meeting.	JHH	02/03/2026	Document: Review of Business interest register updated was previously received by the committee. This item is now complete.