

**Minutes of the Audit & Risk Committee meeting held
on Wednesday 29 November 2017
Held at Kelham Hall after the DALP Governor Conference**

Membership			
A = absence	Governor name	initial	Academy
	Ms S Hall (Chair)	SH	DAT Trustee
A	Mr M Quigley	MQ	Retford Oaks Academy (ROA)
	Mrs K Mitford	KM	National C of E Academy (NCEA)
A	Mr T Hill	TH	Tuxford Primary Academy (TPA)
	Mr R Monkhouse	RM	Walton Girls High School (WGHS)
A	Mr S Jones	SJ	DAT Trustee
A	Mrs P Bryn-Jones	PBJ	Retford Oaks Academy (ROA)
	Mr G Gadie	GG	Retford Oaks Academy (ROA)

In attendance:

A = absence	Staff/in attendance	Initial	
	Mrs A Elway	AKE	Company Secretary and Clerk
	Mrs D Clinton	DLC	ACEO and Accounting Officer
	Mr G Corban	GCO	Chief Operating Officer
A	Mr L Mosley	LDM	Chief Financial Officer
	Mrs K Bonser	KBn	Business Development, Projects and Standards Manager
	Mrs A Younis	AY	Group Financial Controller
	Mr J Rolph	JR	DAT Trustee/Member
	Mrs M Blore	MB	DAT Trustee/Member
	Mrs S Flear	SF	Smith Cooper

Item No	Item	Action/ by who when
AC/17/1718	<p>Introductions were made to new attendees at the meeting.</p> <p>Welcome to new members/attendees and apologies for absence Apologies for absence were received and approved from Mr Quigley due to illness, Mr Hill and Mrs Bryn-Jones due to family commitments and Mr Corban and Mr Mosley due to other commitments.</p>	
AC/18/1718	<p>Declaration of interest There were no declarations of interest, either direct or indirect, for any items of business on the agenda.</p> <p>The agenda was taken out of order while waiting for Smith Cooper to arrive</p>	
AC/19/1718	<p>Risk Management Summary of over-arching risks and plans to mitigate Mrs Bonser's report had previously been received. She drew attention to the 3 high level risks across DALP:</p>	

	<p>Utilisation of the Apprenticeship Levy (being monitored) Ms Hall received clarification that the levy can be used for existing staff who wish to undertake training</p> <p>GDPR – Project teams have been established in each academy and these members of staff have attended a one day training session. Visits to each team will be undertaken early next term to discuss the information they need to gather. Attendees were advised that we have to be compliant by May 25 2018.</p> <p>Budgets and Funding – tight budget monitoring of each academy’s budget is ongoing</p> <p>All academy registers have now been populated except for the 5 new school who have joined since September. A QA process is now underway and governors will receive updates and reports of their risks via the Risk Champion in each academy at F&R meetings.</p> <p>Mrs Bonser stressed that ‘risk’ isn’t the same as ‘performance’ when reviewing the RAG rated charts.</p> <p>The cumulative risk register (RR) for DALP was given on page 4. The only red areas were those mentioned above and these are not unique to DALP. Ms Hall enquired whether there should also be a Head Office RR to record any potential issues e.g. staff, premises etc. It was also suggested that NCEAT should have a RR showing Trust risks as well as those as an academy. In response to a question, Mrs Bonser advised that she is advised of HO risks via Operational Leadership/Senior Strategy Team and Corporate Leadership Group meetings.</p> <p>It was noted that this group should review the overall effectiveness of the groups risk strategy with LAB F&R meetings drilling down into their academy risk performance and management of identified risks.</p> <p>Ms Hall thanked Mrs Bonser for the different emphasis within the report which is now advising the over-arching issues for the group.</p>	
AC/20/1718	<p>Academy Safeguarding Audits – overview of any critical findings to date</p> <p>Mrs Bonser advised that all audits have now been completed. It was agreed that Mrs Blore, as DALP Safeguarding Trustee will receive each report and she agreed to do a summary report for this committee when she had received and read them.</p> <p>In response to a question, Mrs Bonser advised that no significant causes for concern had been evidenced. There were some inconsistencies with HR/Safe Recruitment recording practices and the group are to share best practices going forward to have standardised recording.</p> <p>Mrs Blore advised she had attended two audits and reported that the process was rigorous and scrutiny had been given in expected areas. She hadn’t witnessed anything detrimental to the safety of young people.</p> <p>In response to a question, Mrs Bonser advised that local Designated Safeguarding Leads (DSL) may either peer review audits or conduct the next round of audits.</p>	KBN/MB

	<p>A discussion was held following a speaker's presentation at the conference earlier today as to what degree and when we should use external scrutineers to review internal practices. Mrs Bonser advised that ICCA (internal auditors) are due to scrutinise the process of the audits next term and each LAB will get a copy of their reports with management responses to review. Safeguarding is also on each Trusts, LAB and portfolio agenda and on all internal meeting agendas.</p> <p>All staff have safeguarding training every 3 years per recommended guidelines with DSLs having training every 2 years. Following a discussion, it was agreed that there needs to be standardisation of lanyards across the group which should denote that a DBS (CRB) check has been conducted.</p> <p>Ms Hall suggested that there should be a DALP Dignity at Work Policy, which demonstrates the same duty of care for staff as we have for students. She asked that a draft of this is received at the next meeting.</p> <p>Mrs Clinton advised that the 2018/19 FAR process will look at the staff survey responses which are based on Ofsted questions and next year these will include a workload question. An additional question might also be 'attitude of academy leaders versus the culture of the organisation'.</p> <p>Mrs Bonser was thanked for her contribution and she left the meeting at 16.40pm</p>	<p>KBN</p> <p>GCO 27/3/18</p>
<p>AC/21/1718</p>	<p>Minutes of the meeting held on 16 October 2017 The minutes of the meeting, having previously been received were agreed and signed by the chair subject to adding Mrs Bryn-Jones and Mr Gadie to the membership list.</p>	
<p>AC/22/1718</p>	<p>Matters arising <i>AC/04/1718 ICCA – Updated Audit Plan for 2017-2018</i> Not received. Mrs Elway advised she will chase this up with ICCA</p> <p><i>AC/05/1718 Health and Safety policy updated and on the DALP website</i> Confirmed</p> <p><i>AC/09/1718, AC/54/1617 Whistleblowing policy</i> It was agreed that if it is possible that a trace could be put on anyone who had viewed the policy on the DALP website then the Board would want to give assurance that this would not happen. The committee asked for the Whistleblowing Policy to be included in the Staff Handbook and for academies to ensure that every member of staff has access to the policy if they need it.</p> <p><i>AC/09/1718/AC/59/1617 Terms of Reference updated-emailed 24/10/17</i> Mrs Elway advised that this is now uploaded to Sharepoint</p> <p><i>AC/12/1718 Accounting Officer meeting held?</i> Mrs Clinton advised that a meeting had not yet been held.</p>	<p>AKE</p> <p>KBN/ AOMs</p>

	<p>Mr Monkhouse arrived 16.43pm and introductions were made</p> <p><i>AC/14/1718 Policies – Gifts & Hospitality on DALP website - confirmed Investment & Reserves policy (attached)</i></p> <p>Ms Hall advised that the policy as it stands is satisfactory for the Audited Accounts, but needs revising as a long term policy. She advised that the DALP F&R Committee had asked Mr Corban to review the procedural statements before their next meeting. Mr Monkhouse advised that others he has seen are non-committal regarding percentages of reserves but if one is included it should be a realistic figure. Ms Hall advised she would like to see the HO/central budget included in this and this should be articulated.</p> <p>A discussion ensued with members requesting that at 1.0 the policy clarifies whether total reserves should be 5-10% of turnover or if it is an annual figure. Mr Rolph advised that the ESFA used to stipulate that anything over 12% could be clawed back by them and therefore 10% is not unreasonable. Mr Gadie suggested that the organisation should have enough reserves to cover any legal requirements if it should have to close.</p>	<p>GCO to review</p>
<p>AC/23/1718</p>	<p>Any fraud related, health and safety or safeguarding issues to bring to the committee's attention</p> <p>Mrs Clinton advised that initial due diligence is being carried out on Hilllocks Primary School who may be joining DALP in May 2018. An Executive Assistant Principal (EAP) seconded to the school and paid for by the LA for 2 days a week has identified a safeguarding issue with the entrance system and Mrs Clinton has asked for our safeguarding audit team to complete a full review.</p> <p>There were no H&S or fraud related issues to bring to the committee's attention.</p>	
<p>AC/24/1718</p>	<p>Mrs Flear arrived 17.20pm</p> <p>Smith Cooper to present DAT Audited Accounts</p> <p>Mrs Flear had brought the draft Accounts and Audit Findings report with her and copies had previously been received. In response to questions she advised that whilst there will be an Emphasis of Matter referred to in the Accounts, there won't be a qualified audit report. She and Mr Monkhouse agreed that the position DALP finds itself in is not abnormal for MATs.</p> <p>A discussion was held as to whether it would be prudent to file late, once the outcome of the Recovery Plan submission to the ESFA was known. Mr Monkhouse suggested that the Accounts are unsustainable without the requested funding. Mr Rolph advised that the reserves from the new primaries will add up to £300k to the balance when the LA close their accounts in the next couple of months. However, February, March and April are a concern if budget reductions are not made.</p> <p>It was agreed that the final decision will be one for the DAT Trustees at their meeting on 6 December and to go ahead on the basis of being a going concern in the meantime.</p> <p>Mrs Flear advised:</p>	<p>DAT 6/12/17</p>

	<ul style="list-style-type: none"> - A prior year adjustment was made in August 2015 of £8.1m but no land values had been included in the accounts. She had been advised that upon transfer the LA valuations were adopted, following which the ESFA did a desk top review. - Ms Hall requested that all fixed asset registers are revisited and checked for accuracy. The valuations contain land and buildings of £7m and therefore the prior year write-down should have only been for £1.1m. A discussion was held whether to do another prior year adjustment for £7m to put the land back on the balance sheet. It was also noted that the land at WGHS is being depreciated over 50 years but as this is freehold land it should not be depreciated. Likewise with the Hucknall 6th Form Centre where both land and buildings are being depreciated over 25 years and as the land is freehold, it shouldn't be. Ms Hall asked if there was a policy for depreciation as this seems to differ between 20 and 50 years and there needs to be consistency. It was agreed to change the note in the Accounts to 50 years. - It was agreed to ask Mr Wilson, the Heads of Estates and Facilities to check all estate and valuations and for him and Mrs Younis to create a purposeful and accurate fixed asset register. - It was also noted that the Performance Payments to executives had been included as the full amounts. These need adjusting as some will not be receiving full amounts and it will alter some bandings. It was agreed this was not classed as a material sum. <p>Mrs Flear advised the committee that there had been very few in-year issues identified.</p> <p>Reverting to the Audit Findings report Mrs Flear advised there is a difference of £1.193k between the fixed asset register and the restricted fixed asset fund due to timings of capital grants received which probably relate to the Hucknall Sixth Form Centre (HSFC) but this has yet to be clarified.</p> <p>There was a suggestion that the procurement tendering limit at £25k is too small for the scale of the organisation and Ms Hall asked for evidence/guidance around this for MAT situations and suggested that once received the procurement policy is revisited. Similarly, for petty cash limits.</p> <p>Questions on the Accounts were invited:</p> <ul style="list-style-type: none"> - Page 25 – should the negative restricted funds of £280k be left or transferred to unrestricted funds. Ms Hall suggested this may be closer to £1m by the time the Accounts are signed off. Additionally, HSFC had not been transferred correctly last year - Page 38 – number of teachers looks to be incorrect from 2016 to 2017 as there is a large increase between this and last years figures - Is the FRS102 carried forward holiday entitlement material and if so does it need a note. Noted that this is immaterial. - Note 12- Mrs Clinton's salary to be prorated for the proportion of time she has been appointed as a Trustee - Note 15- trade debtors are high - is there a reason? 	<p>AY/AW</p> <p>AY</p>
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	<ul style="list-style-type: none"> - LGPS assumption regarding future salary increases of 4.9%pa could be challenged but there would be a cost to do any adjustment. 	
AC/25/1718	<p>Smith Cooper to present NCEAT Audited Accounts Both the draft Accounts and the Audit Findings Report had been received previously and were tabled. Mrs Flear paid particular attention to:</p> <ul style="list-style-type: none"> - The value of the land is not separately identified from the total of the land and buildings within the last valuation received and both land and buildings are being depreciated. It was discussed and noted that the Diocese own the building and the LA lease the land to the academy on a 125 year lease. A breakdown of the valuation undertaken in 2012 by FHP is to be requested to establish the position. Mrs Mitford and Ms Hall agreed to ask RSM for an explanation as this had not been forthcoming when requested by Smith Cooper - No audit trail was available for the CIF boiler replacement, likewise for the Salix loan and the management team have been requested to provide this information <p>Mrs Flear referred to point 12 and went through external developments including the requirement of Trustees to review any 'Dear Accounting Officer' letters that are received. Mrs Elway confirmed that the most recent one had been received by Trustees and is on the Trust agenda for the meeting on 6 December.</p> <p>It was noted that the information above will be received at the NCEAT Trust and AGM meeting to be held on 14 December and Mrs Flear will be present.</p> <p>The revised DAT documents will also be available at the DAT Trust meeting on 6 December.</p> <p>Mrs Clinton and Mrs Younis were asked to leave the room at 18.40.</p> <p>Confidential minute for Trustees/committee members only</p> <p>Mr Rolph enquired whether NCEAT will have a going concern notice as well as DAT as both Trusts are part of DALP. Ms Hall suggested that if it wasn't part of DALP then it wouldn't have the capacity to run the Trust function and central roles. However, Mrs Mitford advised that if this were the case it would probably transfer to a different MAT so it is an operational, rather than a financial issue.</p> <p>Mrs Clinton praised the audit work that has been carried out by both Smith Cooper and Mrs Younis and the Finance Teams which has been overwhelmingly better than last year.</p>	KM/SH
AC/26/1718	<p>Date and time of next meeting all at 5.00pm to 7.00pm at Kelham Hall Tuesday 27 March 2018 Tuesday 26 June 2018</p>	

AC/27/1718	<p>Determination of confidentiality of business and Equality Act consideration</p> <p>Governors considered whether anything discussed during the meeting should be deemed as confidential and whether during their discussions any equal opportunities issues have arisen. It was Resolved That the discussion within AC/25/1718 should remain confidential to the people in the room at the time.</p>	
	<p>The meeting closed at 18.50pm</p> <p>Signed.....(chair) Date.....</p>	