

## The Federation of Abbey Schools Academy Trust

### Audit & Finance Committee

#### Minutes

**Date & Time:** 5.30 pm on Thursday 16<sup>th</sup> June 2022

**Present Governors:** Mr M Fryer, Mr G Buchanan and Mr N Little.

**Also in Attendance:** Mr J Briggs, Mrs C Hurworth (EPM) and Mrs L Hawksby (Governance Professional).

<u>ITEM</u>	<u>DESCRIPTION OF DISCUSSION</u>	<u>ACTION BY</u>
	<p><b>Note: meeting held in person in the Nurture Class Room, Junior Building, The Federation of Abbey Schools.</b></p> <p><b>Note: Employees of the Trust are not involved in audit matters, considerations or recommendations, however the Accounting Officer (Head Teacher) attends to provide information and participate in the discussions.</b></p> <p><b><u>Director G.Buchanan elected by non-staff Directors to be in the Chair for this meeting in the absence of the Chair (Dr L Bryant) and Vice-Chair (Mrs R Hall).</u></b></p>	
1.	<p><b>Apologies for Absence</b></p> <p>Apologies for absence were received and accepted for Directors Dr L. Bryant, Mrs R. Hall and Mrs R. Kershaw.</p>	
2.	<p><b>Notification of Items of Other Business</b></p> <p>There were no items of any other business</p>	

<p><b>3.</b></p>	<p><b>Declarations of Interests:</b></p> <p><b>Declaration of personal or pecuniary interests in any matters arising from the Agenda of the current meeting.</b></p> <p>There were no declarations of personal or pecuniary interests declared.</p> <p><b>Declaration of any updates for the Register of Business Interests.</b></p> <p>There were no updates for the Register of Business Interests.</p>	
<p><b>4.</b></p>	<p><b>Approval of Minutes</b></p> <p><b>a) Approval of Minutes – 2<sup>nd</sup> March 2022</b></p> <p><b>RESOLVED:</b></p> <p>That the Minutes of the meetings of the Audit &amp; Finance Committee held on 2<sup>nd</sup> March 2022 be approved as an accurate record.</p> <p><b>RESOLVED:</b></p> <p>That the Minutes of the meeting of the Audit &amp; Finance Committee held on the 2<sup>nd</sup> March 2022 be approved as an accurate record.</p> <p><b>b.) Matters Arising –</b></p> <p>There were no matters arising from the above Minutes.</p>	
	<p><b>STANDING ITEMS OF THE COMMITTEE: Summer Term (Items 5 to 17)</b></p>	
<p><b>5.</b></p>	<p><b>Financial monitoring: Budget /Management Accounts/Cash flow/Setting the next budget (including 3 year forecast ensuring they are accurate and compliant with funding criteria.)</b></p> <p>Mrs C Hurworth (EPM) verbally advised that the April management accounts show a small deficit of £286 however current projections for 21/22 show the Trust at break-even by the end of the Academic Year.</p>	

	<p>The Committee also considered the 2022/23 Trust Budget and Medium Term Financial Plan (MTFP). The projected deficits in 23/24 and 24/25 are primarily the result of the large expected energy price increases and the higher teacher pay awards needed to meet the increased teacher starting salary which is required to be implemented in September 2023. It was noted that the PE (physical education) &amp; Sports Premium funding to help primary schools improve the quality and impact of the PE and sport activities, is not yet confirmed beyond 21/22, and had therefore not been included in this MTFP.</p> <p>The only change to current fees and charges proposed at this time was to the cost of a school meal from 1 September 2022, with the proposal for it to increase by 10p due to rising food costs.</p> <p>The 22/23 MTFP was prepared with the Head Teacher to ensure that the Trust’s educational outcome plans were met to include both the inclusions of required learning and staff resources as well as costs relating to the improvement and maintenance of a safe and vibrant learning environment.</p> <p>Key performance indicators were also considered by the Committee for 2022/23.</p> <p><b>RESOLVED:</b></p> <p>That the Finance and Audit Committee –</p> <ul style="list-style-type: none"> <li>a) Recommend for approval by the Board, the proposed 2022/23 budget and MTFP attached at Appendix 1 of the report.</li> <li>b) Approve and recommend to the Board the small 10p increase in school meals from September 2022 due to rising food costs.</li> <li>c) Approved financial KPIs for 2022/23 as set out in the report.</li> <li>d) Note the small deficit in the April management accounts and noted the April and May management accounts would be taken in full to the Full Governing Body on the 4<sup>th</sup> July 2022 for the Board’s considerations.</li> <li>e) That all of the above resolutions be reported to the Board meeting scheduled for the 4th July 2022.</li> </ul>	<p><i>Board</i></p> <p><i>Board</i></p> <p><i>Board</i></p> <p><i>Audit &amp; Finance Committee</i></p>
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	<p><i>(Mrs C Hurworth left the meeting at approximately 6.00 pm)</i></p> <p><b>6. Discuss the recommendations and outputs of any assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations.</b></p> <p>The Head Teacher advised there had been no recommendations/outputs of any assurance activities of third parties.</p> <p><b>RESOLVED:</b></p> <p>That the report be noted</p> <p><b>7. Review the Trust’s Spring Census returns to ensure they are accurate and compliant with the funding criteria</b></p> <p>The Committee reviewed the Spring Term census and noted they were accurate and compliant with funding criteria, with no issues identified.</p> <p><b>RESOLVED:</b></p> <p>That no issues were identified.</p> <p><b>8. Agree a programme of work to deliver internal scrutiny that provides necessary coverage across the year (of both financial and non - financial controls), using the Trust’s Risk Register to inform the programme. Agree who will be responsible for carrying out elements of the programme of work.</b></p> <p>The Committee considered and reviewed the programme of work to deliver internal scrutiny coverage across the next academic year, including both financial and non-financial areas for review.</p> <p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That the programme of internal scrutiny for the next academic year be approved, with areas to be prioritised prior to the internal reviews.</li> <li>b) That it be noted it would be carried out by the school’s internal auditors Azets.</li> </ul>	<p><i>Head Teacher</i></p>
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9.	<p><b>Internal Assurance Report</b></p> <p>Further to Minute 14 (Audit &amp; Finance Committee 2<sup>nd</sup> March 2022) the Committee noted the last internal assurance report (from the 8<sup>th</sup> and 9<sup>th</sup> February 2022) provided by the Trust's internal auditors Azets had already been taken to the 2<sup>nd</sup> March 2022 Audit &amp; Finance Committee where it had been noted there were no issues or recommendations of major concern, with the one recommendation relating to a 'house-keeping' issue regarding the fixed asset register, with work to be continued on this in the next academic year.</p> <p><b>RESOLVED:</b></p> <p>That the report be noted</p>	
10.	<p><b>Premises Report</b></p> <p>The Head Teacher presented the premises report. He advised that it was expected to see a significant increase in the cost of gas and electricity.</p> <p><b>RESOLVED:</b></p> <p>That the premises report be noted.</p>	
11.	<p><b>Human Resources</b></p> <p>The Head Teacher updated the Committee on the latest Human Resources Committee report with regards to:</p> <ul style="list-style-type: none"> <li>• Staff that had left</li> <li>• New appointments</li> <li>• Maternity leave</li> <li>• Changes to contracts</li> <li>• Long term sick</li> <li>• Covid 19</li> </ul> <p><b>RESOLVED:</b></p> <p>That the report be noted.</p>	
12.	<p><b>Review the External Auditor's Plan Each Year</b></p> <p>The Committee reviewed the draft external auditor (Clive Owens) plan.</p>	

	<p><b>RESOLVED:</b></p> <p>That the external auditor's (Clive Owens) plan be approved.</p>	<i>Head Teacher</i>
13.	<p><b>Annual Report of Insurance Arrangements</b></p> <p>The Committee considered the school's insurance arrangements. After careful consideration it was agreed that from September 2022 the school would use RPA (Risk Protection Arrangement) as it provided good cover and was a cheaper premium than the current provider. Public sector schools can join the Department for Education's Risk Protection Arrangement as an alternative to commercial insurance.</p>	
14.	<p><b>RESOLVED:</b></p> <p>That from September 2022 the School use RPA for insurance arrangements.</p> <p><b>Service Level Agreements</b></p> <p>A list of the current Service Level Agreements (SLA's) and their costings were presented to the Committee.</p>	<i>Head Teacher</i>
15.	<p><b>RESOLVED:</b></p> <p>That the report be noted.</p> <p><b>Risk Register (including the Audit &amp; Finance Committee's own delegated risks for review – Financial, Site Development and Major Incident) (strategic review to report back to Board and report any changes made during the term.)</b></p> <p>The Committee strategically reviewed the whole Risk Register and also reviewed the financial risks on the Risk Register. They also noted the update made by the Board at its meeting on the 16th May 2022 (Minute 10 Full Governing Body 16<sup>th</sup> May 2022). The Teaching &amp; Learning Committee held on 25<sup>th</sup> May 2022 had recommended no changes to their delegated risks.</p> <p>In relation to Health &amp; Safety it was noted that the Health and Safety walks by the assigned Director had not been possible during Covid but would commence again shortly.</p> <p>The Committee requested that a review be undertaken reviewing the risk register to reassess the likelihood scores to ensure these are deemed reasonable.</p>	

	<p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That no Finance related changes or updates were currently required to the Risk Register or recommendations to forward to the Board at this current time.</li> <li>b) That a review be undertaken in the next Academic reviewing the risk register to reassess the likelihood scores to ensure these are deemed reasonable.</li> </ul> <p><b>16. SDP (School Development Plan) financial implications</b></p> <p>The Head Teacher provided a verbal report on the financial implications in relation to the SDP (School Development Plan). He advised that the £10,000 allocation was still currently the appropriate amount in the budget for spending on the areas allocated in the School Development Plan and is appropriate for the 2022/23 budget.</p> <p><b>RESOLVED:</b></p> <p>That the report be noted.</p> <p><b>17. Consider the Committees' own Effectiveness</b></p> <p>The Committee gave consideration to their own effectiveness this academic year as part of its own self-evaluation to ensure it was fulfilling its duties and responsibilities.</p> <p>The committee felt that its' standing items were currently correct and reports received ensured there were both financial and non-financial controls in place. It was noted that the financial training held on 21<sup>st</sup> March 2022 had been extremely helpful in supporting further/updating the committee's knowledge.</p> <p><b>RESOLVED:</b></p> <p>That the Committee was fulfilling its duties and responsibilities.</p> <p><b>18. Charging &amp; Remissions (Lettings of Premises).</b></p> <p>Further to Minute 21 (Audit &amp; Finance Committee 2<sup>nd</sup> March 2022) consideration was given by the Committee to the Charging &amp; Remissions (Lettings of Premises) Policy and specifically if any increase in charges were necessary.</p>	<p><i>Directors</i></p>
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	<p><b>RESOLVED:</b></p> <p>a) That the Charging &amp; Remissions (Lettings of Premises) be approved with no increase in fees at the current time.</p> <p>b) That consideration be given to a reduction in fees for 'all other community use – Seniors' in order to bring it in line with 0-18 year olds fee to make it more competitive and that this be brought to the next meeting of the Board on the 4<sup>th</sup> July 2022.</p> <p><b>19. Gifts &amp; Hospitality Policy</b></p> <p>Consideration was given to the Gifts and Hospitality Policy by the Committee.</p> <p><b>RESOLVED:</b></p> <p>That the Gifts and Hospitality Policy be approved.</p> <p><b>20. Legionella Policy</b></p> <p>It was noted that the Legionella Policy would be brought back to the next meeting of the Board.</p> <p><b>RESOLVED:</b></p> <p>That the Legionella Policy be brought to the next meeting of the Board on the 4<sup>th</sup> July 2022 for approval.</p> <p><b>22. Agenda Items for the Next Meeting</b></p> <p>Standing Items and Policies due for review.</p> <p><b>23. Approval of Documents for Public Inspection</b></p> <p><b>RESOLVED:</b></p> <p>That the Agenda, supporting documents and approved Minutes be made available for public inspection with the exception of the reports and supporting papers at Minute 5 - Financial Monitoring, Minute 12 – Review the External Auditors Plan Each Year and Minute 14 - Service Level Agreements above in accordance with Article 125 c.) as they all contain commercially sensitive financial information.</p>	<p><i>Head Teacher</i></p> <p><i>Head Teacher</i></p> <p><i>Head Teacher</i></p> <p><i>Head Teacher</i></p> <p><i>Head Teacher</i></p> <p><i>Governance Professional</i></p> <p><i>Governance Professional</i></p>
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<p>24.</p>	<p><b>Date &amp; Time of Next Meeting</b></p> <p><b>RESOLVED:</b></p> <p>That the next meeting of the Committee be confirmed once the date had been approved at the 4<sup>th</sup> July 2022 Governing Body.</p> <p><b>The Meeting concluded at 7.15 pm</b></p> <p>Approved by the Audit &amp; Finance Committee</p> <p>Date: _____</p> <p>Signature (Chair): _____</p> <p>Name: _____</p>	<p><i><b>Governance Professional</b></i></p>
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(Note: CQ – Challenging Question)