

The Federation of Abbey Schools Academy Trust

Audit & Finance Committee

Minutes

Date & Time: 5.30 pm on Thursday 17th June 2021

Directors who took part via virtual meeting: Dr L Bryant, Mr G Buchanan, Mr M Fryer, Mrs R Kershaw and Mrs R Hall.

Also in Attendance: Mr J Briggs, Mrs C Hurworth (Avec) and Mrs L Hawksby (Clerk to the Governing Body).

<u>ITEM</u>	<u>DESCRIPTION OF DISCUSSION</u>	<u>ACTION BY</u>
	<p>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.</p>	
1.	<p>Apologies for Absence and Format of the meeting</p> <p>Apologies for absence were received and accepted for Director Mr P M Willson. The Directors participated in a virtual Board meeting due to current Covid 19 social distancing considerations.</p>	
2.	<p>Notification of Items of Other Business</p> <p>There was one item of any other business minute 19 below refers:</p> <p>Child Funding</p>	

<p>3.</p>	<p>Declarations of Interests:</p> <p>Declaration of personal or pecuniary interests in any matters arising from the Agenda of the current meeting.</p> <p>There were no declarations of personal or pecuniary interests declared.</p> <p>Declaration of any updates for the Register of Business Interests.</p> <p>There were no updates for the Register of Business Interests.</p>	
<p>4.</p>	<p>Approval of Minutes</p> <p>a) Approval of Minutes – Thursday 4th March 2021</p> <p>RESOLVED:</p> <p>That the Minutes of the meetings of the Audit & Finance Committee held on Thursday 4th March 2021 be approved as an accurate record.</p> <p>b) Matters Arising –</p> <p>There were no matters arising.</p>	
<p>STANDING ITEMS OF THE COMMITTEE: SUMMER TERM (Items 5 - 17)</p>		
<p>5.</p>	<p>Financial monitoring: Budget /Management Accounts/Cash flow/Setting the next budget (Including 3 year forecast ensuring they are accurate and compliant with funding criteria).</p> <p>Mrs C Hurworth (Avec) reported to the Committee on the financial position and actual performance against the approved 2020/21 budget and the forecast year-end position for both revenue and capital budgets. She also advised on other key areas of financial performance such as aged debtors and cash flow which were noted to be in a good position. She also reported upon key performance indicators and other critical budget updates including the impact of pay awards and Covid19. The latest management accounts were also noted by the Committee.</p>	

CQ	<p>She advised Trustees are already aware that the current response to the crisis has had an impact on Trust finances. The Trust has incurred additional costs this year on purchasing PPE, cleaning materials, lunchtime supervisor costs and agency staff costs, and anticipates a significant reduction in income from catering in 20/21.</p> <p>The Committee noted that with regards to Key Performance Indicators the school was running on target. They did however also note that staff costs were quite high and questioned why this was? Mrs Hurworth advised this was due to the school having their own in house cleaning and catering staff, more experienced staff further up the pay grades, which also increased staff costs when compared to other schools.</p> <p>The Committee also considered the 2021/22 Trust Budget and Medium Term Financial Plan (MTFP). In line with the wider position throughout the sector, the Trust faces significant financial pressures in the next few years, but these have been mitigated to a large extent by the introduction of NFF (National Funding Formula) and the increase in minimum funding levels which result in a significant uplift in funding for the Trust. Staffing costs are expected to continue to increase in the MTFP.</p> <p>RESOLVED:</p> <p>That the Audit & Finance Committee :-</p> <ol style="list-style-type: none"> a) Confirmed receipt and noted the monthly management accounts, cash flow, balance sheet and aged debtors and creditors reports. b) Noted the 2020/21 revenue budget forecast position c) Noted the 2020/21 capital position. d) Noted the content of the Avec Benchmarking report, and confirmed they have reviewed the financial performance of the Trust and identified potential areas for further examination in terms of improved efficiency. e) Noted the reserves position. f) Noted the cash flow projection. g) Noted the school meals trading account projection. h) Recommend for approval by the Board at their meeting on the 1st July the proposed 2021/22 budget and MTFP (as attached at Appendix 2 of the MTFP report). i) Approved the financial KPIs for 2021/22. 	<p>Audit & Finance Committee</p> <p>Audit &</p>
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	<p>j) That all of the above resolutions be reported to the Board meeting scheduled for the 1st July 2021.</p> <p><i>(Mrs C Hurworth left the meeting at approximately 6.00 pm)</i></p>	<p>Finance Committee</p>
6.	<p>Discuss the recommendations and outputs of any assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations.</p> <p>The Head Teacher advised there had been no recommendations/outputs of any assurance activities of third parties, apart from the recently completed internal audit which was considered by the committee at Minute 9 below.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	
7.	<p>Review the Trust's Spring Census returns to ensure they are accurate and compliant with the funding criteria</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>RESOLVED:</p> <p>That no issues were identified.</p>	
8.	<p>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.</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>RESOLVED:</p> <p>That the programme of internal scrutiny for the next academic year be approved and that it be noted it would be carried out by the school's internal auditors Azets.</p>	<p>Azets</p>

<p>9.</p> <p>Internal Assurance Report</p> <p>The Committee considered the internal assurance report provided by the Trust's internal auditors Azets.</p> <p>The Committee noted that there were no issues or recommendations of major concern, with the recommendations relating to opportunities to implement a good or better practice, to improve efficiency of further reduce risk and all had been resolved.</p> <p>RESOLVED:</p> <p>That the recommendations relating to implementing a good or better practice and resulting actions be noted as resolved.</p> <p>10.</p> <p>Premises Report</p> <p>The Head Teacher presented the premises report. He advised that equipment upgrades were required for:-</p> <ul style="list-style-type: none"> • Year 1 classroom furniture to be replaced, with best value sought through DFE (Department for Education Tendering). It was noted the school planned to replace furniture by year group each year and provision had been made within the budget plan to support this upgrade. • A telephony system upgrade was required to ensure it remains fit for purpose, the school was currently working to review requirements and expected significant cost savings. • Caretaker and cleaning tools were required, including floor washer/ dryer to support requirement to clean additional areas more quickly (particularly to support extended Breakfast and After school club bubbles) <p>CQ</p> <p>The Committee enquired with regards to the necessary removal of some trees on the site? The Head Teacher advised he would be progressing this issue and seeking costs.</p> <p>RESOLVED:</p> <p>That the report be noted</p>		<p><i>Head Teacher</i></p>
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<p>11.</p>	<p>Human Resources</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"> • Staff that had left • New appointments – including the appointments of a Full time caretaker and three new lunchtime supervisors. • Maternity leave • Changes to contracts • Long term sick • Covid 19 <p>RESOLVED:</p> <p>That the report be noted.</p>	
<p>12.</p>	<p>Review the external auditor’s plan each year</p> <p>The Committee reviewed the draft external auditor (Clive Owens) plan. It was noted that a benchmarking process would be undertaken to ascertain a price comparison check (Minute 8 Audit & Finance Committee 8th March 2021 refers).</p> <p>RESOLVED:</p> <p>That the external Auditor’s Plan be approved.</p>	
<p>13.</p>	<p>Annual report of insurance arrangements</p> <p>The Committee considered the school’s insurance arrangements. It was noted that the school was currently insured by Zurich and was until the end of this year. The school would look at RPA (Risk Protection Arrangement) and other providers and undertake a price comparison review whilst also considering the cover provided.</p> <p>RESOLVED:</p> <p>That the report be noted and that the insurance arrangements after the end of the year be reported back to the Committee.</p>	
<p>14.</p>	<p>Service Level Agreements</p> <p>A list of the current Service Level Agreements (SLA’s) and their costings were presented to the Committee.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>	

<p>15.</p>	<p>Risk Register (including the Audit & Finance Committee’s own delegated risks for review) (strategic review to report back to Board and report any changes made during the term.)</p> <p>The Committee reviewed the whole Risk Register and reviewed the financial risks on the risk register. They also noted the updates received by the Teaching & Learning Committee at their meeting on the 26th May 2021 (minute 10 refers) and by the Board on the 17th May 2021 (minute 13 refers).</p> <p>They noted that the cyber security test had now moved to an annual test.</p> <p>RESOLVED:</p> <p>That no changes or updates were currently required to the Risk Register or recommendations to forward to the Board at this current time.</p>	
<p>16.</p>	<p>SDP (School Development Plan) financial implications</p> <p>The Head Teacher provided a verbal report on the financial implications of the SDP (School Development Plan). He advised that the £10,000 allocation was currently on budget for spending on the areas allocated in the school Development Plan. It was agreed by the committee that funding for next year should remain flexible in order to help meet the needs of the pupils which had changed due to the pandemic.</p> <p>RESOLVED:</p> <p>That the report be noted</p>	
<p>17.</p>	<p>Consider the committees’ own effectiveness</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>It was agreed that going forward financial training was always helpful and the new parent director advised that the recent financial training he had undertaken had helped to enhance his knowledge. To further assist in the new parent directors’ knowledge he was also invited to attend the monthly meeting of the Chair of the Board and the Head Teacher when they discussed the accounts and other financial related issues.</p> <p>RESOLVED:</p> <p>That the Committee was fulfilling its duties and responsibilities.</p>	<p><i>Head Teacher</i></p>

<p>18.</p>	<p>Policies:</p> <p>Gifts & Hospitality Policy</p> <p>Consideration was given to the Gifts and Hospitality Policy by the Committee.</p> <p>RESOLVED:</p> <p>That the Gifts and Hospitality Policy be approved.</p>	<p><i>Head Teacher</i></p>
<p>19.</p>	<p>Item of Any Other Business:</p> <p>Child Funding</p> <p>The Head Teacher reported verbally with regard to funding support.</p> <p>RESOLVED:</p> <p>That the report be noted</p>	
<p>20.</p>	<p>Agenda Items for the Next Meeting :</p> <p>Standing Items and Policies due for review.</p>	<p><i>Clerk</i></p>
<p>21.</p>	<p>Approval of Documents for Public Inspection</p> <p>RESOLVED:</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 items 5 - Financial Monitoring, 12 – External Auditors’ Plan and 14 – Service Level Agreements above in accordance with Article 125 c.) as they contain commercially sensitive financial information. That any reports and supporting papers also not be made available for public inspection in relation to item 19 above – child funding in accordance with Article 125 b.) a named pupil at, or candidate for admission to any Academy.</p>	<p><i>Clerk</i></p>
<p>22.</p>	<p>Date & Time of Next Meeting</p> <p>RESOLVED:</p> <p>That the next meeting of the Committee be confirmed once the date had been approved at the Governing Body scheduled for July 2021.</p> <p>The Meeting concluded at 7.05 pm</p>	<p><i>Clerk</i></p>

	<p>Approved by the Audit & Finance Committee</p> <p>Date: _____</p> <p>Signature (Chair): _____</p> <p>Name: _____</p>	
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(Note: CQ – Challenging Question)