

## The Federation of Abbey Schools Academy Trust

### Finance Committee

#### Minutes

**Date & Time:** 5.40 pm on Wednesday 7<sup>th</sup> November 2018

**Present Governors:** Mr J Briggs, Dr L Bryant, Mr M Fryer, Mrs R Hall and Mr P M Willson.

**Also in Attendance:** Mrs D Nielsen (Business Team) and Mrs L Hawksby (Clerk to the Governing Body).

<u>ITEM</u>	<u>DESCRIPTION OF DISCUSSION</u>	<u>ACTION BY</u>
1.	<p><b>Election of Chair for the ensuing Academic Year</b></p> <p>The Clerk to the Governing Body opened the meeting in the absence of a Chair. Nominations were sought for the position of Chair of the Finance Committee for the ensuing Academic Year.</p> <p><b>RESOLVED:</b></p> <p>That Dr L Bryant be appointed as Chair of the Finance Committee for the ensuing Academic Year.</p> <p><i>(Note: Dr L Bryant was in the Chair for the remainder of the meeting.)</i></p>	
2.	<p><b>Election of Vice-Chair for the ensuing Academic Year</b></p> <p>Nominations were sought and received for the position of Vice-Chair of the Finance Committee for the ensuing Academic Year.</p> <p><b>RESOLVED:</b></p> <p>That Mr Willson be appointed as Vice-Chair of the Finance Committee for the ensuing Academic Year.</p>	

<p>3.</p> <p>4.</p> <p>5.</p> <p>6.</p>	<p><b>Apologies for Absence</b></p> <p>Apologies of absence were received and accepted from:-</p> <ul style="list-style-type: none"><li>• Mrs H Parkinson</li></ul> <p><b>Notification of Items of Other Business</b></p> <p>There was one item of other Business – Server (Minute 10 below refers.)</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>Approval of Minutes</b></p> <p><b>a) Approval of Minutes – Wednesday 27<sup>th</sup> June 2018</b></p> <p><b>RESOLVED:</b></p> <p>That the Minutes of the meetings of the Committee held on Wednesday 27<sup>th</sup> June 2018 be approved as an accurate record.</p> <p>b) Matters Arising –</p> <p>There were no matters arising.</p> <p><b>c) Approval of Minutes – Pay Review Sub-Committee Monday 10<sup>th</sup> September 2018</b></p> <p><b>RESOLVED:</b></p> <p>That the Minutes of the meetings of the Pay Review Sub-Committee held on Monday 10<sup>th</sup> September 2018 be approved as an accurate record.</p> <p>d) Matters Arising –</p> <p>There were no matters arising</p>	
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<b>STANDING ITEMS OF THE COMMITTEE: AUTUMN TERM (Items 7- 16)</b>		
<b>7.</b>	<p><b>Financial Manual Update</b></p> <p>Mrs D Nielsen (Business Team) presented a report on the annual review of The Federation of Abbey Schools Academy Trust's Financial Procedures Manual. The financial procedures ensure that the Academy maintains and develops systems of good financial management to meet the requirements of the funding agreement with the Education Funding Agency.</p> <p>The words highlighted in yellow, within the financial manual, set out the changes made to the procedures since the last review. It was noted the main changes related to the Chair of Trustees now also having sight of the Academy's management accounts and proposed tender limits.</p> <p><b>RESOLVED :</b></p> <ul style="list-style-type: none"> <li>a) That the Federation of Abbey School's Academy Trust's Financial Procedures Manual be approved by the Committee along with the highlighted additions/amendments.</li> <li>b) That the tender limits be approved as detailed in the report including the related party transactions at point 6.38.</li> </ul>	<p><i>Business Team</i></p> <p><i>Business Team</i></p>
<b>8.</b>	<p><b>Academies Financial Handbook</b></p> <p>Mrs D Nielsen (Business Team) reported on the Academies Financial Handbook 2018 effective from the 1<sup>st</sup> September 2018. She advised that the changes had been particularly aimed at good governance in academies. The handbook outlines a number of new and updated requirements, including strengthened expectations about the process for setting executive pay and an explanation of new requirements for related party transactions. Management accounts must be shared with the chair of trustees every month and with the other trustees six times a year.</p> <p>It was noted that all Governors (trustees), not solely on the Finance Committee, had been advised of the importance of this document and been referred to this item on the Agenda as a point of reference. The document is available on the Governors' Learning Platform</p> <p><b>RESOLVED:</b></p> <p>That the report be noted.</p>	

9.	<p><b>Annual Review of the Individual School Range (ISR) of the Academy</b></p> <p>It was noted that there were no changes to the Individual School Range of the Academy.</p> <p><b>RESOLVED:</b></p> <p>That the School's Individual School Range (ISR) remain the same and be reviewed again at the beginning of the 2019/20 Academic Year.</p>	<i>Head Teacher</i>
10.	<p><b>Report of Internal Assurance (Clive Owen &amp; Co LLP)</b></p> <p>Further to Minute 5 (Finance Committee 27<sup>th</sup> June 2018) the School's external auditors (Clive Owen &amp; Co LLP) had submitted a report on their ongoing independent oversight of the Academy's financial affairs, in addition to internal procedures already carried out by the Academy's Business Team. The following areas were looked at in accordance with the agreed Schedule of Work:-</p> <ul style="list-style-type: none"> <li>• Regularity</li> <li>• Payroll</li> <li>• Purchases</li> <li>• Accounting System</li> <li>• Information Technology</li> <li>• Fixed Assets</li> <li>• Financial Regulations Manual</li> <li>• Governors meeting minutes</li> <li>• Governors appointments and resignations</li> </ul> <p>There was one recommendation relating to the Academy creating a formal IT replacement policy. Current ICT equipment was purchased subject to requirement and budget constraints.</p> <p>CQ Governors enquired whether the Academy already has a log of all ICT equipment? It was confirmed that all ICT equipment in the Academy was currently logged.</p> <p><b>RESOLVED:</b></p> <ol style="list-style-type: none"> <li>a) That the report be noted.</li> <li>b) That guidance be sought from ICT Systems on implementing an IT replacement strategy subject to budget constraints.</li> </ol>	

	<p><b>Item of Any Other Business:</b></p> <p>With the permission of the Chair, the Item of Any Other Business was discussed at this point in the discussion as it related to IT considerations. The Head Teacher advised that the current Server in the school was getting older and would be obsolete in a couple of years. Most of the server could be bought out of capital this year. Consideration was therefore being given to the possibility of a new server being purchased. It was noted it was sometimes possible to sell old servers.</p> <p><b>RESOLVED:</b></p> <p>That the Chair of Finance and Head Teacher consider the possibility of a new server and report back to Governors.</p> <p><b>11. Premises Report (Including maintenance &amp; planning issues.)</b></p> <p>The Head Teacher presented the premises report covering the period from March 2018 to October 2018. The report provided an update of work being undertaken in maintenance, management and health &amp; safety issues across the site. It was noted that water temperatures were all correct across the site.</p> <p><b>CQ</b></p> <p>The Committee enquired whether it was possible to obtain grant funding for the Infants' site in relation to security gates and fencing? Mrs D Nielsen advised that it is possible to apply for the Condition Improvement Fund (CIF) which is an annual bidding round for eligible academies to apply for capital funding from the Department for Education. The priority for the fund is to address significant condition need, keeping academy buildings safe and in good working order. This was something the school could consider and it was free to apply.</p> <p><b>RESOLVED:</b></p> <p>That the report be noted</p> <p><b>12. Report from Human Resources</b></p> <p>The Head Teacher verbally updated the Committee on changes in staffing/contracts and sick leave since the beginning of the Academic Year.</p> <p><b>RESOLVED:</b></p> <p>That the report be noted.</p>	<p><i>Chair of Finance/ Head Teacher</i></p>
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<p><b>13.</b></p>	<p><b>School Improvement Plan – Financial Implications</b></p> <p>The Head Teacher reported on the financial implications of the 2018/19 SIP (School Improvement Plan). He advised that £10,000 had been committed towards the provision of the current SIP. This included the use of the Puma and Pira assessment tools, cluster/partnership working and work with middle leaders.</p> <p><b>RESOLVED:</b></p> <p>That the current financial implications for the 2018/19 SIP be noted.</p>	
<p><b>14.</b></p> <p><b>Budget Update – 2018/19</b></p> <p><b>CQ</b></p>	<p>Mrs D. Nielsen (Business Team) provided an update of the 2018/19 Budget and advised on the monthly summary report which was appended to the Agenda. There was an overspend of £15,500 which was reported to the Committee. This was partly due to an increase in staff required for the out of school provision, although it was noted there was a good take up of the after school provision with positive income also coming in. There had also been one off additional costs as part of the Junior Office being moved into the foyer area. 'Teachers' overspend was due to the Teachers' pay award which had not been known at the time of setting the budget (an assumption of 1% was used to set the budget). Most of the pay award had been funded from a Teachers' Pay Grant.</p> <p>It was noted that income of £2,500 was due from our electricity company due to overcharging.</p> <p>Catering and After School Club income/expenditure was also detailed in her report and were noted to be in a healthy position.</p> <p>Following on from the Governance monitoring event held earlier today (7<sup>th</sup> November 2018) Governors advised staff were not aware of how the science budget was allocated and questioned how this was done? The Head Teacher advised that there are identified curriculum priorities in the budget and the value of learning obtained would guide the allocation in the budget.</p> <p><b>RESOLVED:</b></p> <p>That the report be noted.</p>	

15.	<p><b>Management Accounts Cash Flow</b></p> <p>Mrs D. Nielsen (Business Team) provided an update on the Management Accounts Cash Flow, details of which were attached to the Agenda. She advised that the cash flow was in a healthy position. It was noted that going forward in March there would be a slight drop as some of the Service Level Agreements were due for renewal at this time.</p> <p>It was noted that in line with the Financial Academies Handbook 2018 the Management Accounts would be taken to the next meeting of the Board scheduled for the 10<sup>th</sup> December 2018.</p> <p><b>RESOLVED:</b></p> <p>That the report be noted</p>	
16.	<p><b>Service Level Agreements</b></p> <p>The Service Level Agreements for 2018/19 were set out in the report appended to the Agenda.</p> <p><b>CQ</b> Governors questioned whether there was a need for more Behavioural support provision as this had been identified as an increasing need? The Head Teacher advised that the current provision covered the required need.</p> <p><b>RESOLVED:</b></p> <p>That the report be noted.</p>	
17.	<p><b>Annual Review of Terms of Reference and Standing Items for the Finance Committee and Pay Review Sub Committee</b></p> <p>Consideration was given to the annual review of the terms of reference and standing items for the Finance Committee and Pay Review Sub Committee.</p> <p><b>RESOLVED:</b></p> <p>That the terms of reference and standing items for the Finance Committee and Pay Review Sub-Committee be approved.</p>	<i>Clerk</i>
18.	<p><b>Agenda Items for the Next Meeting :</b></p> <p><b>Standing Items:-</b></p> <ul style="list-style-type: none"> <li>• School Improvement Plan (SIP) – Financial Implications.</li> <li>• Service Level Agreements – Darlington Borough Council and contracts SLA.</li> </ul>	<i>Clerk</i>

	<ul style="list-style-type: none"> <li>• To review the school staffing structure.</li> <li>• Reports: Internal Assurance, Premises and Human Resources.</li> <li>• Financial monitoring.</li> <li>• Management Accounts</li> </ul> <p><b>Policies Scheduled for Review</b></p> <ul style="list-style-type: none"> <li>• Investment Policy and Procedure.</li> </ul> <p><b>19. 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.</p> <p><b>20. 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 Governing Body scheduled for the 10<sup>th</sup> December 2018.</p> <p><b>The Meeting concluded at 6.40 pm</b></p> <p>Approved by the Finance Committee</p> <p>Date: _____</p> <p>Signature (Chair): _____</p> <p>Name: _____</p>	<p><i>Clerk</i></p> <p><i>Clerk</i></p>
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(Note: CQ – Challenging Question)