



MINUTES OF THE FINANCE, AUDIT & PREMISES COMMITTEE - Tuesday 11 October 2016 at 5pm

Present: Mrs S Wright Mr D Smith Mr R Foster
Mr G Rumary Mrs Fielden

Also present: Mr A Davis (Principal)
Mrs A Eastwood (Company Secretary & Business Manager)
Mr G Cole (Site Manager)
Mrs K Chard (Clerk)

Apologies: Mrs S Harris

	ACTION
<p>1 ELECTION OF OFFICERS</p> <p>The meeting was opened by Mrs Eastwood, as Company Secretary, who explained that no nominations had been received for the position of Chair or Vice Chair. Mrs Wright asked if anyone was prepared to put themselves forward for the role. Mr Foster enquired about the additional hours required. Mr Davis clarified that Mr Foster would not be without support, as there was plenty of financial experience on the committee. Mr Foster offered to self-nominate for the post of Chair.</p> <p>Mr Foster was returned by unanimous vote as the Chair of the Finance, Audit and Premises Committee for the forthcoming year.</p> <p>Mrs Wright suggested that the post of Vice Chair was left pending until the next meeting. Directors agreed.</p> <p>2 APOLOGIES</p> <p>Mrs S Harris had given apologies. Mrs Fielden had notified the clerk that she was going to be a few minutes late.</p> <p>3 DECLARATION OF BUSINESS INTERESTS</p> <p>None were declared.</p> <p>4 MINUTES AND MATTERS ARISING</p> <p>Minutes of the previous meeting held on 13 June 2016</p> <p>Mr Foster clarified that these minutes had previously been circulated and discussed at the full board meeting on the 28 September.</p> <p>Mr Smith asked on page 4, 'Mrs Eastwood clarified that curriculum modelling would be the area that was analysed for efficiencies and brought to Directors at <i>teach</i> meeting'. Should read 'each' meeting.</p> <p>Mr Foster asked if standard format was to email through any corrections in advance. Mrs Eastwood commented that no, the minutes were normally just reviewed at the meeting. Mr Foster replied that it would make the meetings slightly shorter.</p> <p>Directors agreed and approved the minutes from the June meeting as a true and accurate record.</p>	

Mrs Fielden arrived at 5.10pm.

Action Sheet

Item 7, Electricity. Mrs Eastwood explained this would be discussed as part of the Efficiency Plan item on the agenda later in the meeting. Mr Foster asked for this item to be removed from the action sheet.

Item 20, Funding for Disabled Student in 2017. Mr Davis explained that the situation was now clear, a hoist system was required. This was initially thought to have fitted in the first aid room, but as the back room was part of a 1940s build, and a temporary room, this would cause problems with regards to load bearing and it would appear that both the floor and ceiling were unsuitable for a hoist. As a result of the master planning exercise, it has been suggested that a CIF bid could be placed around refurbishment of the History area, which is the Academy’s poorest teaching area in terms of condition, and could incorporate new toilets and a therapy room. Toilets have been identified as a shortage on the site.

In order to take the matter further, there was a meeting at the prospective pupil’s primary school in Ilchester two weeks ago, and Mrs Eastwood has requested a copy of the plans of the accessible area so the dimensions and details can be shared.

Mr Davis reassured Directors that the disabled pupil that joined in September had settled in very well, and a letter had been received by his parents commending the Academy on the positive start he has had.

Mrs Wright asked what would happen if a bid was unsuccessful around re-development of the History area. Mr Davis thought that a solution would have to be found around the first aid room.

Mr Smith queried whether the first £50,000 still needed to be found for a CIF bid. Mrs Eastwood discussed that the criteria around bids had not yet been released, but it would probably be tackled as a provision for a specific pupil. Mrs Eastwood commented that there was an accessible changing room being incorporated in the new pool build that would include a hoist. There will also be a hoist at poolside. It would certainly not be ideal, but it may serve as a stop gap in the meantime.

Mrs Eastwood stated that she thought information on the bids should be available in the next couple of weeks, although this would be later than previous years. Mrs Fielden asked if there was any help available from the local authority. Mrs Eastwood confirmed that they had been told that nothing was available.

Item 23, Asbestos Survey. Mrs Eastwood said she thought that once an area in the Leisure Centre has been re-developed the Academy would have a full site survey for Asbestos. Mrs Eastwood agreed to confirm with Mr Cole that this was the case. Mr Foster asked for the item to be removed.

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Item 26, LED Lighting/Energy Savings. Mrs Eastwood said that this item was included in the Efficiency Plan item on the agenda. Mr Davis discussed that it was hard to quantify as comparing like for like. Mrs Eastwood agreed to talk to Mr Cole about it.

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Item 32, Staff Absence Insurance. Mrs Eastwood clarified that at Pay and Personnel staff absences will be looked at. Mrs Fielden asked if the Pay and Personnel board looked at cost savings. Mrs Wright clarified that they looked at the whole picture.

Items 33/34/35, Management Report 5. Mrs Eastwood stated that these would need to be discussed at the next meeting as the accounts are not yet available.

Mr Foster asked if items could be greyed out to be removed next time.

<p>5 TERMS OF REFERENCE AND RESPONSIBILITIES OF THE FINANCE, AUDIT AND PREMISES COMMITTEE</p> <p>Mrs Fielden asked if the document could be re-ordered to show Audit Committee and Responsible Officer on a separate sheet within the document. Mrs Eastwood agreed and suggested making fraud higher up within the whole document. Mr Smith suggested making fraud the first bullet point under Audit Committee. Mrs Eastwood agreed to re-format.</p> <p>Mrs Wright requested that the document mentioned that the Responsible Officer was an observer without voting rights. Page 2, bullet point 4 to have inserted 'when minutes of previous meeting circulated'. Page 5, bullet point 10 should read 'where any issues...' instead of 'Any issues'.</p> <p>Mrs Fielden asked if the Academy is not required to have a Responsible Officer or Audit Committee, and asked how often this post gets reviewed. Mr Davis clarified that the Academy wanted something semi-independent to work alongside the Finance, Audit and Premises Committee body.</p> <p>Mrs Eastwood commented that she felt the Responsible Officer added value to the finance team with additional checks and projects. Directors agreed to discuss at the next meeting after the accounts have been finalised.</p> <p>6 AUDIT COMMITTEE</p> <p>Mr Smith, as Responsible Officer, chaired this section of the meeting.</p> <p>a) Responsible Officer Report</p> <p>Mr Smith confirmed there were no points raised on the latest checks.</p> <p>b) Review of Independent Checks – Summary Report</p> <p>Mrs Eastwood explained that a lot of work was taking place around data handling including USBs being banned and the production of a new data handling policy. Mr Davis commented that the Egress system had been implemented for file security and a desktop system had been set up to enable staff to contact pupils by email securely. Mrs Fielden asked if the termly changing of passwords to financial software was on the risk register.</p> <p>Mr Smith commented to Directors that as three out of the four reviews this year had not come back with any new action points, there was a question around value for money and asked whether these checks offer value for money if no points are raised. The Business Manager said the process was very rigorous, but agreed that this could be looked at.,</p> <p>Mr Foster asked whether the USBs had been banned or disabled, Mrs Eastwood confirmed that both had taken place. Mr Rumary stated that USBs being banned had caused a few problems with the 3D Printers as they run by memory card. Mrs Eastwood commented the Mr Johnson was investigating.</p> <p>c) Risk Register and Risk Management</p> <p>The newly formatted risk register was discussed at length. Mr Smith said that his understanding was that the FAP committee should review the risks identified as a responsibility of the FAP Committee and are shown in yellow and that risks higher than that should be considered by the Full Board. Mrs Fielden said she thought that all risks that had a response of 'treat' should also be discussed at the meeting. Mr Smith said that it wasn't his understanding, but he was happy to discuss them at this meeting and suggested that the committee go through each risk. Mr Foster asked</p>	<p>AE</p> <p>FAP Comm</p>
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how the risks had been categorised and was it arbitrary, as there was no cost attached to the risks and that was what he used to seeing. Mr Smith said it arbitrary and as the risk register was the responsibility of the SLT, then the committee could suggest a change to the classification of risks, although it sounded like a significant piece of work. It was agreed that this could be looked at although it would be difficult to put a cost against some of the risks.

Risk ref	Action	Amendment
2	Discussed as an agenda item. Agreed still relevant	None
8	Amendment to control measures	Addition "Ensure compliance with RPA requirements".
13	No change to risk register. Item on agenda. Action point to ensure a director replaces Dr. Richards with a responsibility for Health and Safety.	
26	Amendment to control measures	Addition "Grant terms audited"
29	Risk removed and replaced with 42	
30	Amendment to control measures	Addition "Clear agenda item on FAP"
31	No amendment to risk register. AE to confirm letter received from SSDC and check where we are with the outstanding payments and report to the next FAP committee	
22, 25, 28, 34, 35, 36, 39, 40	Agreed still relevant	No changes
38 & 41	Risks amalgamated	
42	New risk. "Academy is not financially viable.	Control measure "5 Year Budget Plan on each FAP agenda. Active efficiency plan for the short term and medium terms. RO monitoring. Progress monitored against efficiency plan."

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Competent Person Checklist. Mrs Eastwood explained that as part of the RPA scheme, regular updates were received. When the Competent Person checklist had been received, Mrs Eastwood had emailed the designated link at SCC and asked for assurance that as they buy the Academy Health and Safety support from them, that they met the requirements of the Competent Person role and they had confirmed that they do. However, the Academy had also been required to complete an RPA survey that discussed compliance with various aspects of Health and Safety. They had not been able to grade the Academy at the highest level as we did not have someone who had the NEBOSH qualification. Mrs Eastwood suggested that in order to meet the highest level of the RPA rating we would need to review the competent person role and also our Health and Safety policy. There seemed to be a change in the direction of travel with the RPA and expectations may change. This would need a longer discussion.

d) Audit Plan

This document was for information and had been previously circulated. Mrs Eastwood said that the plan outlined the audit process, deliverables. Directors discussed the audit plan and the matters brought forward from the previous audit. These have been completed as far as possible. Mrs Eastwood also said that the format of the accounts had changed this year.

Mr Foster, as Chair of the FAP Committee, took over as chair of the rest of the meeting. Mr Cole arrived.

9 PREMISES AND HEALTH AND SAFETY

a) Facilities Development Plan and Capital Projects

Mrs Eastwood explained that the summary sheet showed the status of projects as at the 31 August. An outstanding amount of £23,500 was still to be spent. The sports hall upstairs toilets are estimated to come in as more expensive than originally thought, and may be in the region of £23,000 instead of the quoted £10,000. Because the pool build means the pool changing room toilets will be out of action, this will become a more pressing item to be dealt with. Huish Leisure are also planning a gym and fitness studio refurbishment to run alongside a new lease of exercise equipment.

It was understood that South Somerset District Council had £125,000 available to meet some of the developments in the leisure centre, but this had yet to be formally confirmed.

Mrs Eastwood estimated that an extra £26,000 may be necessary for site security fencing. Mr Davis confirmed this would be around fencing along the front of the site, the main door to the 6th Form reception and the Sports Hall entrance door.

In terms of future capital expenditure, Mrs Eastwood felt it was important that for directors to consider setting aside some reserves each year for capital expenditure as part of the annual budget setting process.

Mr Foster asked whether the development of the toilet project for the AGP was still going ahead. Mrs Eastwood said that unfortunately the Football Association money was no longer available.

b) Compliancy Monitoring and Standards for School Premises

Hard copies of the document were available for directors to review.

A director asked were the information was recorded when work was completed. Mrs Eastwood said that logs were kept by Mr Cole as to when the various inspections took place and there were reviewed as part of the Health and Safety inspection. The Responsible Officer offered to review the documents.

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c) Electrical Survey Report

Mr Cole shared with the committee the findings of an electrical survey report that had been undertaken over the summer. The report indicated that an upgrade would be required to bring the distribution boards up to date following a change to legislation. The report had been submitted to the consultants undertaking the master planning exercise to consider.

d) Master Planning Update

This item had been discussed at the beginning of the meeting.

e) Swimming Pool Project Update

The project has been submitted for planning permission with an outcome expected at the beginning of December. Landlord's consent had been received. Mr Davis said that the public information evening had been very positive.

f) Summary of Work Carried Out During the Summer

A director thanked the site team for the work that had been completed. A director asked which music room had been converted to the PE office. Mr Cole answered that it was previously a PE office prior to becoming a music practice room.

g) Health and Safety Update

Mr Davis and Mrs Eastwood reported that they were currently working on a risk assessment for the dual use of the leisure centre.

Mr Cole left the meeting at 7.20.

7 FINANCIAL INFORMATION**a) Academy Management Report 2016**

A Management Report was currently being produced and would be forwarded when available.

b) Provisional Outturn for the Academy 2015 Financial Year

As the accounts were not yet available, the figures contained in this document were provisional. The outturn figure was estimated to be £844,204. There was an increase on the previous report and included savings particularly on the AGP expenditure.

c) Leisure Centre Financial Information 2015/16

Mrs Eastwood said that report had been presented to the Leisure Board meeting on 3 October. There was a provisional outturn figure of £9423 (£4096 for the AGP and £5327) prior to any year-end adjustments which would alter the presentation of the outturn figure. In terms of the AGP accounts, there was a significant difference between income and expenditure to those budgeted. Income had been budgeted at £63,770 and the estimated outturn was £30,483. Budgeted expenditure was £52,262 and the outturn was estimated at £25,155. Mrs Eastwood said that she thought that some of the Football Foundation expectations were unrealistic as they had budgeted for full occupation of the AGP from the 1st September, which did not happen. However, we were now looking at different ways to generate additional income. We are also looking at efficiencies around expenditure, as again some of the budgeted areas of the Football Development Plan will never actually be realised. Mr Davis said that he felt that they had done well for Year 1 of the AGP operating.

d) Leisure Budget 2016/17

This document was for information.

8 FINANCIAL MANAGEMENT**a) Efficiency Planning**

The Business Manager presented the draft efficiency plan and asked for comments from the directors. Mrs Eastwood said that they had tried to put together a plan that reflected all the issues raised at previous meetings and identified a series of areas of focus, with action points and initial financial information. It was not completely populated at this point. The biggest area to be identified was staffing costs and therefore the costs of staffing the curriculum across all key stages. Mrs Fielden asked whether the teaching and learning committee would be consulted on the proposed changes to the curriculum.

Mr Foster asked if the document supported the £108k savings required for the current year's budget. Mrs Eastwood confirmed it did as the plan was focussed on 2016.

<p>The director requested that a monthly progress report be provided showing the financial savings towards the £108k target. Mrs Eastwood said that one of the targets was to bring the staffing % of the budget to 80% which would be saving of £68,000. This could be realised by not reappointing some of the support staff vacancies that were currently available.</p> <p>On Activities Add Value to Huish. One of the efficiencies that the Business Manager wanted to introduce was to levy an administration charge on school trips. This would amount to £1 per pupil on Category A visits and 2% on Category B visits. An average of 33 hours a week of finance assistant time was currently used to support the administration of school trips and the school shop. Directors agreed to implement the admin charges to school trips. The Charging Policy would be amended and published.</p> <p>Mrs Wright left the meeting at 8pm.</p> <p>Mrs Fielden suggested that we add in an area that covers Capital/Premises expenditure. Mrs Fielden asked whether the Exams Costs efficiency be raised at the Teaching and Learning Committee.</p> <p>Mr Rumary asked how the average teacher cost was calculated. Mrs Eastwood confirmed that it was the teaching salary cost divided by the number of teachers employed. Mrs Fielden said it also included the cost of the senior leadership team. Mrs Eastwood confirmed that one of the areas to be looked at was how the senior leadership were deployed in terms of being cost effective. Mr Davis said that the cost of senior leadership teams had been reviewed by the SWAG group, but again if someone from the senior leadership left, this post would be reviewed in the same way other vacancies are currently reviewed.</p> <p>Directors felt that the document was a good start in terms of developing the efficiency plan.</p> <p>b) Reserves Policy</p> <p>There was no change to the current level of £300k. Mrs Eastwood confirmed that this was less than one month's salary cost and although it was currently suitable, this should be reviewed going forward. Mr Davis confirmed that we have similar levels to other similar sized costs. It was agreed that this policy would be in place for the next financial year, but in future would be reviewed in conjunction with Budget Planning. It was discussed whether there was more a relevant figure and whether there should or should not be a level of protection to this reserves figure. Discussions took place as to whether a higher or lower level figure was more appropriate.</p> <p>c) Financial Regulations and Accounting Policies</p> <p>The Business Manager informed directors that this document would be brought to the next meeting following the audit and any recommendations.</p> <p>d) Directors Expenses and Remuneration Policy</p> <p>The Business Manager presented the revised policy and drew directors attention to the inclusion of the new section around Directors' remuneration.</p> <p>Directors approved the policy.</p> <p>e) Authorised Signatories</p> <p>These were agreed by Directors.</p>	<p>AE/DS</p>
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<p>f) Disposals</p> <p>The Business Manager had circulated the Disposals Form for 215 items, including pcs, laptops and servers. They had no asset value as they were passed end of life. One Director raised the question as to whether the Academy could generate some income by selling off these end of life computers to members of staff. The Business Manager said that she thought that the process would be difficult to administer and that there were issues around licences, power leads etc. but that she would check with the IT Manager.</p> <p>g) Catering Contract</p> <p>The Business Manager confirmed that the contract with Taylorshaw had resulted in a profit for the previous academic year. The total to be received by the Academy is £4290.</p> <p>h) Anti-Fraud Checklist</p> <p>Directors discussed the anti-fraud checklist and agreed that the responses reflected the Academy’s position. Fraud had also been discussed earlier in the agenda. The Business Manager had recently received a copy of the EFA publication ‘Fraud Indicators’ and it was agreed that she would meet with the Responsible Officer to discuss this. The checklist would go to the Full Board in December.</p> <p>Mrs Fielden asked if there was a set agenda for the meetings with the Responsible Officer. Mrs Eastwood agreed this would be a good idea.</p> <p>i) Academies Financial Handbook 2016</p> <p>A document had been circulated and all directors issued with a copy of the new Academies Financial Handbook. Directors discussed changes to the handbook for 2016. These included understanding and addressing variances between budget and actual income and expenditure; controlling exposure to investment products and auditing governors skill gaps. Mr Davis said he felt there was a real strengthening around skills audits, probably in relation to the formation of MATs and the necessary financial skills required.</p> <p>j) Bank Account Summary</p> <p>Directors reviewed the bank account balances and noted that the Academy was currently in the process of opening two additional bank accounts</p> <ul style="list-style-type: none"> • Liquidity Manager Notice Account (AGP sinking fund account) • Business Reserve Account (Leisure Centre) <p>Mr Davis drew director’s attention to the recent letter sent by Peter Lauener to Accounting Officers on 6 October 2016. There were links within the document that can be followed for further information and also efficiency tools. Mrs Eastwood confirmed that the Edubase details had been completed.</p> <p>10 ACADEMY IMPROVEMENT PLAN</p> <p>This has been discussed at the Full Board.</p> <p>11 REVIEW OF DECISIONS MADE</p> <p>Mr Davis explained that the reason this agenda item had been included some time ago was to ensure that Directors had an opportunity to consider the decisions that had been made had been made correctly and gave an opportunity to add anything should they wish. Mrs Eastwood agreed to circulate the original document that had listed the checklist that directors could refer to. Mrs Fielden said that she felt it was</p>	<p>AE</p> <p>DS</p> <p>AE</p>
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one of the best Finance and Premises she had attended, and that the right things were discussed. Mr Smith agreed and said that he felt that most of the things discussed had been relevant and pertinent and that it had been a useful meeting. There is still work to be done around preparation for the meeting, both from the Academy officers and directors.

12 ANY OTHER URGENT BUSINESS

The chair and the responsible officer confirmed that they would not be able to attend the meeting on 30 November. Mrs Eastwood said she would check if the auditors were able to make another date.

13 DATE OF NEXT MEETING

Wednesday 30 November 2016 (approval of Annual Accounts)

Meeting closed at 8.50pm