



MINUTES OF THE FINANCE, AUDIT & PREMISES COMMITTEE - Wednesday 15 October 2014 at 5pm

Present: Mrs S Wright Mr D Smith Mr J Wilkinson
 Dr M Richards Mr P Monaghan Mr R Clarke
 Mr R Cox

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

Apologies: -

Absent: Mrs J Innis

	ACTION
<p>1. ELECTION OF OFFICERS</p> <p>The meeting was opened by Mrs Eastwood, as Company Secretary, who explained that a nomination for the position of Chair of the Committee had been received for Mr Wilkinson. Mr Wilkinson confirmed he would accept the nomination. The Company Secretary explained the election process and Mr Wilkinson left the room while Directors voted.</p> <p>Mr Davis asked that Directors be aware that as Mr Wilkinson was a new director, they would be appointing a Chair that had no previous school finance experience. Mrs Eastwood commented that the auditors had already been made aware that there had been a number of changes to the Academy Board. They would need to be made aware that a new director had been appointed as Chair of the Finance, Audit and Premises Committee.</p> <p>Mr Wilkinson was returned by unanimous vote as the Chair of the Finance, Audit & Premises Committee for the forthcoming year.</p> <p>Mr Wilkinson took the Chair for the election of the Vice Chair. Dr Richards volunteered and agreed to stand if no other Directors wished to.</p> <p>Dr Richards was unanimously voted as the Vice Chair of the Finance, Audit & Premises Committee for the forthcoming year.</p>	
<p>2. APOLOGIES</p> <p>Mr Monaghan had contacted the clerk to say he would be late. No other apologies had been received.</p>	
<p>3. DECLARATION OF BUSINESS INTERESTS</p> <p>Directors were asked to declare any business interests that they had in relation to the agenda. Mr Cox made Directors aware that five of the companies listed on the Auditors Tender document were members of the Somerset Chamber of Commerce of which Mr Cox is the Chief Executive.</p> <p>Mrs Eastwood explained that a summary of Declaration of Business Interests would be brought to the next meeting and all Directors needed to be aware of the detail.</p>	AE

4. MINUTES AND MATTERS ARISING

Minutes of the previous meeting held on 17 June 2014

These meetings had previously been circulated and discussed at the Full Board meeting on 30 September.

Directors agreed and approved the minutes from the June meeting as a true and accurate record.

Action Sheet

Directors reviewed the Action Sheet. Mr Wilkinson said that he would like to see some of the items removed that had been around for a long time. Mr Davis ran through the items to be removed – these included Items 1, 6, 8, 9, 10, 11, 12, 14, 15 and 16. Mr Cole explained RAMIS, was the fire safety online monitoring system. Mrs Eastwood confirmed a fire safety DVD was going to be shown at the next Health and Safety group meeting in November to the Health and Safety department representatives (item 13). Mr Wilkinson asked who was responsible for Health and Safety, and Mrs Eastwood confirmed that Mr Cole, Mr Rumary and herself formed a working group that reported back to Mr Davis. Mr Cox suggested it may be useful to add a review date to the Action Sheet, to avoid the ‘ongoing’ comments.

AE

5. TERMS OF REFERENCE & RESPONSIBILITIES OF THE FINANCE, AUDIT & PREMISES COMMITTEE

Mrs Eastwood gave an overview of the financial key documents available for Directors. The documents were as follows:

- Articles of Association
- Funding Agreement
- Procedure Document – Financial Regulations & Accounting Policies
- Academies Financial Handbook
- Terms of Reference
- Governors Handbook (DfE)

Mrs Eastwood brought Directors attention to the Articles of Association and the Model Funding Agreement. Mr Wilkinson asked if any changes to the Funding Agreement were made if a document could be created to bring Directors attention to them. Mrs Eastwood confirmed that any updates were brought to meetings anyway. Mrs Eastwood brought Directors attention to the Governors Handbook. Mr Wilkinson asked for any new documents to be circulated that had not been previously. Mr Wilkinson commented that he felt the language used on the Terms of Reference document felt ‘wrong’. Mrs Eastwood also clarified that the Terms of Reference had been in this format for a number of years. Also referencing this document, Mr Cox said that he felt the document was helpful, but asked the question who defines what value for money is. Mrs Eastwood reported that the Academy defines what value for money is and that we are required by the EFA to publish an annual Value for Money Statement. This is completed by Mr Davis and is an agenda item later in the meeting. Mrs Eastwood concluded by showing the Directors the Academy’s Financial Handbook, clarifying that page 46 onwards summarises very effectively all the arrangements around Finance, explaining that this should be the Directors ‘bible’. Mrs Eastwood suggested that a time line could be produced for the Academy’s financial deadlines showing the key dates in the year, in a similar format to the Business Cycle Wall Planner.

AE

AE

Mrs Eastwood explained that time was very constrained between the end of the financial year (31 August 2104) and getting the accounts produced in time for the Audit (which was currently taking place), and the December meeting were the accounts were signed off and submitted to the EFA. With regards to the Financial Statements, Mrs Wright commented that it was unfair to ask Directors to sign off a document that they have not had chance to previously read as per the situation last

year. Mrs Eastwood confirmed this was a one off and assured Mrs Wright it would not happen again this year. Mrs Eastwood mentioned that the change in circumstances from a maintained school to an Academy had been vast in the last four years, and we are working on a plan to improve systems and procedures to make things easier, but not having staff in August at the end of the financial year, does create a problem.

Mrs Eastwood confirmed there would be Directors training on the Financial Statements on the 17 November with the Academy's accountant.

6. PREMISES AND HEALTH & SAFETY

Mr Wilkinson asked where in school the Health and Safety file was kept. Mrs Eastwood confirmed that various files were kept with Mrs Eastwood, Mr Cole and online with EEC Live. Mr Cole had the files relating to the buildings.

Mrs Eastwood reported in terms of Health and Safety the Academy has a clear policy and has an annual Health and Safety audit. We currently buy into a support package with the SCC Health and Safety team, and Mr Jon Saunders is our 'competent person'. Mrs Eastwood clarified that we scored 100% on our last Health and Safety audit in January 2014, and is satisfied that our procedures are robust.

Compliance Monitoring and Standards for School Premises

Mrs Eastwood discussed the Compliance Monitoring Procedures document which had been circulated with the agenda. Mr Cole reported that there was no asbestos exposed on the site and that the asbestos management plan would be brought to the December meeting. Mrs Eastwood reported that Dantek Environmental visit the site for six monthly checking for Legionnaires Disease. Mr Richards asked if shower heads were cleaned, to which Mr Cole replied that they were cleaned and descaled every three months.

AE/GC

Mrs Wright referred to the statement on page 22, 'Where reasonably practicable employers must prevent employee exposure to asbestos. However if this is not possible then under Regulation 11 exposure must be reduced to the lowest level reasonably practicable and the number of employees exposed reduced to the lowest number that is reasonably practicable'. Is the statement 'lowest number' a dangerous phrase? Mrs Eastwood confirmed that this wording had been taken from a government document.

Mrs Wright also mentioned that the number of parents still driving onto the site in the morning and dropping their children off is still an issue. Mr Davis that the Academy clearly mentions it in every newsletter that goes out. Mr Wilkinson asked if there was any solution. Mr Davis replied that no there wasn't. Mr Cox commented that it does create a back log of traffic along the road.

Mrs Wright commented that a couple of years ago SCC had asked for a survey because there is a possibility that all the underground Academy pipework may be lead. There was a £32,000 fee for this survey. Mrs Eastwood stated that the pipework would be the original from 1934. The pipework had been identified as an issue in the 2007 SCC Condition Survey.

Mr Clark asked if there was some publically available information on the impact of stagnant water in lead pipes over holiday periods. Would there be some criteria the Academy could look at to ascertain whether there is a higher risk or not? It was suggested that a separate Premises Risk Register could be created. Mr Cole would look into this.

GC

EFA Standards for School Premises

Mrs Eastwood reported that the EFA had commissioned a survey of all its school buildings in 2013. The Academy's survey had been completed in November 2013, but we had only received the results in September 2014. As a school, we used to receive an annual £135,000 Devolved Formula Grant for buildings maintenance, but we now receive £25,000 and have to bid for anything in addition through the

Academies Capital Maintenance Grant process. Mrs Eastwood stated that we have applied on two occasions for funding for the replacement of the areas of the roof and windows. On both occasions we have been turned down as we have been able to demonstrate that in the case of the roofs, the leaks are not bad enough. Our rating as a result of the survey has been predominately stated as good to satisfactory. The exceptions are some roofs and windows which have been designated as poor, and also aspects of the grounds man's hut which have also been designated as poor. Mrs Eastwood reported that during the last two years the Academy has spent approximately £50,000 replacing windows from our own reserves. Mr Cox asked if it was possible to have some sort of electronic system of receiving documents when they are ready in order to have more time available where possible to view them in advance of the agenda being produced.

Mr Davis, Mr Wilkinson and Mr Cole discussed the importance of replacing the roof, and what is the best use of Academy money. Mr Cox stated that it would be useful to have a copy of the Academy Asset Management Plan to be able to make an informed decision. Mrs Eastwood confirmed that apart from the £25,000 DFCG budget that has to be spent on capital projects, the rest can all be spent on revenue items, or however the Academy sees fit.

Summary of Work Summer 2014

Mr Cole explained that normally before meetings at 4.15pm there is a walk around the school site for Directors to view what works have been completed. This is also used to flag up any Health & Safety issues that have arisen. Mr Cole discussed the Summer 2014 Maintenance Schedule and explained what had taken place.

Mrs Wright asked if the office area in the Sixth Form was going to be screened off. Mrs Eastwood replied that two or three companies had been in to look at the work, but no simple solution had been found so far. Mrs Wright stated that she had been asking about this for at least two years, to which Mrs Eastwood replied that it unfortunately was not a priority at the moment but remained on the Facilities Plan. Mr Davis commented that he had probably interrupted plans by requesting a Student Services Hub, and that had taken precedence. Mrs Wright reported that on the couple of occasions she had visited the main reception recently in the Sixth Form there had been cups and food everywhere and the area looked vulnerable. Mr Davis commented that 90% of the time the situation was much better. Mr Madge reported that there was an issue with no social area for the increased number of students within the Sixth Form, so it is difficult, but they were aware of the issue and trying to respond to it. Mrs Eastwood confirmed that the Academy were looking at new signage to direct visitors to the main doors opposite the reception desk, so people do not have to walk through the social area.

Mr Cole agreed to email Mr Wilkinson the complete schedule of works for October half term.

Mrs Eastwood reported that the Academy had kept in a separate pot £23,000 to develop the Upper School Hall catering outlet. This was historical funding that had been received in 2009/2010. Quotations had been received from three different companies, and Mrs Eastwood asked what the mechanism might be to seek Directors approval potentially in advance of the next meeting. Mr Davis asked if it would be possible to take information to the next Pay and Personnel meeting on the 13th November for approval before the meeting. Mrs Wright asked if we should have gone to tender. Mrs Eastwood confirmed we had met our financial regulations requirements. The aim of the redesign was to create a horse shoe shaped servery with two till points in order to serve pupils a lot quicker, and avoid them having to queue outside in the rain. Mr Davis asked Mrs Eastwood if she could seek advice from the auditors with regards to the quotation process. Mrs Eastwood clarified that the Academy had not expected quotes to come in over £25,000 which is why it had not gone to tender. Works to be completed would be confirmed at under the £25,000 threshold. Mrs Eastwood clarified that she would check.

Synthetic Pitch Update

GC

AE

Mrs Eastwood reported that the Facility Enquiry Form had been submitted to the Football Association, and the documentation was being worked on to support the bid to the EFA. Mr Wilkinson asked if all design work was complete, had a CDM coordinator been appointed. Mrs Eastwood clarified that we had been working closely with South Somerset District Council and they had undertaken all the design work and she was sure all the appropriate regulations had been followed although she did not have all the detail to hand. Mr Wilkinson stated that as soon as you started to design, a CDM coordinator had to be appointed. There was extensive discussion regarding when the appointment of the CDM Co-ordinator took place. Mrs Eastwood agreed to clarify this appointment.

AE

Mr Cole left the meeting.

7. FINANCIAL INFORMATION

Academy Management Report 2014

Mrs Eastwood talked through the management report, and explained that it was based on the budget agreed in June last year. Mrs Eastwood reported that we always have a reserve fund, and anything that is not required in any other cost centre gets allocated here, so the Academy always balances off income and expenditure. The full £1,197,688 carry forward is not yet showing in the budget, but £94,000 of this is, otherwise it would not balance. Mr Davis clarified that staffing must come in at under 80% of the budget, which Mrs Eastwood confirmed that once the carry forward was entered; it would drop to approximately 72%. Mr Cox asked why this was the case. Mrs Eastwood clarified that 75-80% is the guideline of school budget to be spent on staffing. Mrs Eastwood also explained that the Academy keeps aside £300,000 in an agreed level of reserves that does not get touched. Mr Cox asked what the role of Finance, Audit and Premises with regards to setting the budget? Mrs Eastwood replied that funding confirmation was received in March and at the April meeting a draft budget is shown for approval and discussion. The budget is then set by June and recommended by the FAP Committee to the Full Board.

Provisional Out Turn for the Academy 2013 Financial Year

It was estimated that the carry forward from 2013 would be in the region of £1.1m. Mrs Eastwood talked through the Provisional Outturn, and clarified that work was being done to reduce the £94,000 budget overspend in the current budget. Mrs Eastwood also explained that funding was based on pupil numbers, and predicted numbers for the next three years are increased. Mr Davis reported that Somerset is one of the lowest funded counties in the country and that is unlikely to change.

Leisure Centre Financial Information

Mrs Eastwood reported on the Leisure Centre outturn, and explained that there is a £30,000 profit from the 2013/2014 accounts. Directors of the Leisure Board have agreed at the last Leisure Centre meeting to hold 50% of this profit and pay corporation tax on this amount. This will be held for capital projects, and the other 50% will be gift aided to the Academy. Mrs Eastwood clarified that the 50% profit that the Academy receives, the Academy holds towards any capital works in the Leisure Centre that it needs to contribute to. Mrs Wright commented that the Academy's 50% doesn't have to be held for this purpose. Mrs Eastwood confirmed that this was what had been agreed at previous meetings.

8. FINANCIAL MANAGEMENT

Value for Money Statement

Mr Davis talked through the Value for Money Statement and educational outcomes.

Mr Wilkinson proposed agreement of the statement and approval and Mrs Wright seconded that.

Bank Account Summary

Directors noted.

Risk Register

Directors noted.

Disposals

Mrs Eastwood reported disposal of 98 Computers, 1 Laptop Hard drive and 113 TFT Screens which are below the value of £500, so Directors only had to note and not approve the disposal.

Catering Contract

Mrs Eastwood explained that the Taylor Shaw contract had now been received. Mrs Wright signed the document.

9. AUDIT COMMITTEE

Mrs Wright and Mr Cox left the meeting.

Internal Audit Reports

The Responsible Officer Reports had been renamed Internal Audit Reports. The fourth Internal Audit report on System Checks had been completed in July 2014. Mrs Eastwood reported that we have four internal checks per year, and this committee will receive the reports.

Audit Plan and Regulatory Update

Mr Wilkinson commented that all Directors required would be a summary sheet. Mrs Eastwood commented that Directors had to receive a full copy of the document, but maybe it could be received by the Responsible Officer in advance, and reported any key points to the Finance, Audit and Premises Committee.

Audit Tenders

Mrs Eastwood informed Directors that a formal tender process had been completed for Audit Services, as a three year term would take the total value over £25,000. The summary document has been circulated with the agenda. Tenders had been received from the following companies:

- Albert Goodman
- Francis Clark
- Mazaars
- Bishop Fleming
- Milsted Langdon
- Baker Tilly

Baker Tilly was appointed as Auditors on conversion to Academy status as they had substantial previous Academy experience. Mrs Eastwood reported that she and Mrs Chard had met four out of the six companies tendering. They had spent a considerable amount of time going through all the tender documents ensuring they met the criteria within the tender document. The criteria covered amongst other things price, experience, key personnel and references. Mrs Eastwood and Mrs Chard agreed with the view that unless the Academy was going to save a substantial sum of money by changing, the preference was to stay with Baker Tilly as they now have three years of experience and understanding of our accounts, but that they were the most expensive. Mr Richards commented that he thought Baker Tilly's experience with our Academy was worth the extra £15,000 cost over the three year period. Mr Smith stated that he thought staying with the same Auditors for six years was probably not unusual. Mr Clark thought that the fact we had done the exercise was great with so much thoroughness.

Mr Richards proposed staying with Baker Tilly and Mr Smith seconded.

Anti-Fraud Checklist

To be rolled over to the next meeting.

10. ACADEMY IMPROVEMENT PLAN

<p>Mr Davis reported that there is an Academy Improvement Plan that will be discussed at every meeting.</p>	
<p>11. REVIEW OF DECISIONS MADE</p>	
<p>Mr Wilkinson asked why this was an agenda item. Mr Davis said that it was an opportunity to review any decisions that had been made and if they been made and if anybody had anything else to add. An example was the appointment of Baker Tilly.</p>	<p>JW/AE</p>
<p>Mr Clark asked if the agenda order ever gets switched around as a large amount of time was spent talking about premises and health and safety as it was at the beginning of the evening. Mrs Eastwood confirmed it was this way around so Mr Cole could leave after the premises part. Mr Richards asked if a time limit per agenda item could be added. This would be reviewed.</p>	
<p>12. ANY OTHER URGENT BUSINESS</p>	<p>AJD</p>
<p>Mr Monaghan asked if anything had happened as a result of the school bus fire at Ashcott. Could an assembly be done to raise awareness of bus safety? Mr Davis confirmed he would investigate.</p>	
<p>Mr Monaghan gave his apologies in advance for the next meeting.</p>	
<p>13. DATE OF NEXT MEETING</p>	
<p>Wednesday 3 December 2014 (Approval of Annual Accounts)</p>	

Meeting closed at 8.10 pm.



Action Sht FinPrem
Mins 15-10-14.pdf