



MINUTES OF THE FULL ACADEMY BOARD MEETING – Wednesday 19 March 2014 at 7.00pm

Attending Directors:

Mr P Baker	Mrs R Carne	Mr J Coutts
Mr A Davis (Principal)	Mrs J Glide	Ms J Innis
Mr T Marshall (Vice Chair)	Mr R Mills	Dr M Richards
Mrs T Rose	Mr G Rumary	Mr M Watson
Mrs S Wright (Chair)		

Also present: Mrs S Harwood (Clerk) Mrs Eastwood (Business Manager/Company Secretary)

Apologies: Mr O Bagnara Mr P Monaghan Mr L Wilson-Chalon

Absent: -

ACTION

1 a) APOLOGIES

Apologies were received from Mr Wilson-Chalon, Mr Monaghan and Mr Bagnara (all work commitments), **Directors unanimously accepted apologies.**

b) DECLARATIONS OF BUSINESS INTERESTS

No business interests were declared.

2 MINUTES AND MATTERS ARISING

Full – 30 January 2014 – were agreed as accurate

Matters arising –

Feedback Forum - the purpose of the Forum was explained to Directors i.e to engage with students, parents and others and establish their views and also to share our policies and visions. The Forum will meet once per term. Additional Directors were sought to be members; Dr Richards and Mrs Rose volunteered.

Risk Register – The Chair asked if written confirmation of financial assistance if the Leisure Centre have difficulties had been received. The Business Manager said the letter had been written and was currently with the portfolio holder at SSDC for checking before being issued. **Les Miserables** – Directors wholeheartedly agreed that the recent production had been outstanding and asked that their congratulations be passed on to staff and students. **Action Sheet** – Action point 2 and 5 were now completed and can be removed.

It was proposed to accept and sign the minutes.

Proposed: Mr Mills
Unanimously accepted

Seconded: Mrs Glide

Committee meetings –

The minutes had been received but discussion deferred until the next Board meeting.

The Business Manager informed the Board that an external request had been made to view the minutes of the Leisure Board. However as the Leisure Centre was not a charity, the minutes are regarded as private and would not be made available to the public. In future, they will be added to the confidential section of this Board’s agenda.

3 DIRECTORS’ END OF TERM OF OFFICE

There are ten Directors approaching the end of their Term of Office in the Autumn. Members of the upcoming Skills Audit/Training Working Party will be looking at this

in more depth. The Chair asked Directors to give serious thought to whether they wished to be considered for re-appointment, particularly as the work of the Board is more demanding in both time and effort. Personal circumstances should be considered.

A Director pointed out that it is 'good practice' that Directors do not serve longer than a total of eight years. It was acknowledged that demands on Directors have changed enormously and recruitment strategies should be examined.

4 a) Academy Improvement Plan

The Principal went through the updated plan which had been colour coded for ease and gives a commentary on every target and indications of the next steps. He explained that amber means the item has been started but the impact cannot yet be shown. Among the points highlighted were:

Clerk to email
Directors

- an external verifier engaged to monitor progress
- a programme 'Inspire' aimed at underperforming boys in Year 9 to re-engage, motivate and raise their expectations and included some excursions. One Director thought it was unfair to reward students causing problems or displaying behaviour issues. However the Principal explained that this programme was for middle ground students who can easily get overlooked; it was not about behaviour but an alternative strategy to aid struggling students.
- continuing MIG meetings between staff and Directors
- working to move Value Added to over 1000
- good progress being made on the curriculum. Parents are happy with the four pathways now offered.
- The Option returns have been completed and are now undergoing examination to ensure students are on the right courses
- BIPs/PIPs is being put in place to formalise an intervention process or put a remedial package in place
- introduced a new tracking system for Post 16. Present indicative numbers are between 120-125 students for next year but as they apply to more than one college and considering drop-off rates, the final number will not be known until September. There is high interest from students outside of the Academy. Where transport can be provided the cost is factored into the budget.
- Middle Leaders are undertaking training and sharing best practice as this is an area that can make a difference
- Pupil Premium is a key area; some students are on a programme of learning that won't be counted towards the Academy's Value Added score.
- The Pupil Premium six week intervention programme has worked well

b) Directors' Monitoring report

No reports were made.

c) Responsible Officer/Audit Committee update

Following an extensive discussion at the last Finance and Premises Committee on 27 February 2014, on the structure of an Audit Committee, it was agreed that the matter be brought to the Full Board. The Chair of the Finance and Premises Committee said that it was better to have a separate Audit Committee that did not have any Directors on it that also served on the Finance and Premises Committee. The outgoing Responsible Officer (RO) had been asked to produce Terms of Reference (TOR) for an Audit Committee and for the role of Responsible Officer (RO), which were now presented to the Board. He apologised for the lateness of the document.

The Chair of the Finance & Premises Committee supported the documents as they clearly established internal controls and risk to the Academy, monitored as a separate body. However he was still concerned about having both roles (Audit Committee and Responsible Officer) in existence.

The Responsible Officer said that the Academy was under pressure from the

Education Funding Agency (EFA) to have an Audit Committee; he personally did not want one but there was little alternative. However, it should only have a 'light touch'.

In formulating his document, the RO had referred to the EFA Academies Financial Handbook (AFH) and the HM Treasury Audit and Risk Assurance Committee Handbook. Traditionally, Directors have chosen which Committee they wished to serve on, but an Audit Committee would be different, as members could not be on the Finance and Premises or Pay and Personnel Committees. The Board could, if they wished, appoint an Associate Director to the Audit Committee who would be totally independent but this would be a departure from the Academy's normal practice. The paper stated that this Committee must be independent of management and as such it would not have anyone from the management team of the Academy on it. The Board could still maintain the use of an external agent, currently the Local Authority (LA), to continue a programme of checks.

A Director thought the document was comprehensive and the idea of an Associate Director for the Audit Committee a very good one, to ensure independence. The Principal expressed reservations about Director capacity, and the fact that this would be a huge departure from any other school system he had known. The Business Manager had carried out some research into schools in the area and no schools excluded the school officers from the meetings. He felt that potentially, if not very careful about the process, the Academy could end up with the LA, RO and a set of three Directors on a Committee meeting without the Principal or Business Manager present. This could muddy the waters and make it unclear on hierarchy. The Audit Committee must only review the process of making decisions, not the decision itself.

The RO said this was made very clear under the heading of Working Practice ***'the Audit Committee has no executive responsibilities or powers of making or endorsing any decisions'*** and would create a paper trail of independent monitoring. The Principal thought there were other references within the document that were ambiguous; he did not want to set up anything stopping decision making moving forward rather than purely checking processes.

Another Director believed that the Principal and/or Business Manager could be present at Audit Committee meetings, if it were written into the TORs but they could be asked to leave if it was thought necessary. This could be done to give the Principal some reassurance. The Principal said that at present if an issue were picked up by the external verifier, it would be expected that Directors would want to meet with both him and the Business Manager. No other Academy works in the way proposed and this arrangement has the potential for decisions being made without him or the Business Manager being party to it and left purely with a small group of Directors.

The Chair emphasised that the Audit Committee would be looking at the process and not the decision. She too did not wish to have this Committee but the Financial Regulations state that we must. The Principal still felt that if the Committee questioned every decision made by the Board, he would be very uncomfortable. The Business Manager considered that there were implications in several places in the submitted document that decisions would be questioned.

A Director pointed out that there was a lot of focus on finance and the rules to be followed but the role of the RO is much more, covering risk, governance, ensuring the Board is working to its TOR and that the Board is discharging its responsibility, not just in financial matters. The current RO confirmed that the Audit Committee would only be looking at financial processes and no other areas. The Directors are responsible for the way they spend public money. The RO said that the Board, at times, looked to him for advice and any replacement for him would want to know what their responsibilities were. If a RO was no longer wanted by the Board it would be a different ball game but he had fulfilled the remit he was charged with.

The Business Manager again stated that there was no longer a requirement to have a RO; the TOR for this role is outside of the current regulations (AFH 2013) and is beyond what the AFH requires. Having an Audit Committee would change the Academy structure of all Committees and if no Executive was present, minutes must be very accurate and correct; she currently checked the minutes of the Finance and Premises Committee for accuracy.

The RO cited a case in the media recently, where there were criminal charges for staff of one Academy when finances were fraudulently mismanaged. The Business Manager said this had been picked up by the Auditors. The RO said that it had been after the event, not as it was happening.

The Principal said that every Director should be a RO and aware of the risks. The Audit Committee only needs to check the process of decisions made and there could be potential for the members of that Committee to hold the Academy to ransom. Looking at the present time and years to come, he was very worried the remit would become much bigger and may not be in the interest of the Academy. The Chair said that the position of the Committee could be reviewed on a regular basis to ensure that it is operating as the Board wanted.

The RO referred again to 'Working Practice' (page 5) where is stated '**... the Chair (Responsible Officer) should liaise, as necessary, with the Chair of the Academy Board, Principal and Business Manager (Company Secretary).**' However, the Principal felt that in the Draft TOR '**the Executive and/or Chair of the Board may consult with the RO when financial and other appropriate decisions are being considered to provide a source of advice**' was a contradiction and questioned what 'other appropriate decisions' would be.

Again, a Director stated that he felt there was no reason why the Principal could not be on the Audit Committee. The Business Manager said that it could always be instigated with the proviso that the Principal did not have voting rights. The Director felt that this would give reassurance to the Principal and that he would know what was going on; he is a Director of the Board in his own right. Another Director considered that it was right that the Principal should be present to give input to the Committee but was not sure that Directors would want to serve on the Committee anyway. The RO again reiterated that the HM Treasury advice was that the Executive should not participate in decisions. The Chair of the Board also considered that if the Principal were present the Committee would not be independent.

The Principal said that if this proposal were agreed, any clarity sought would need to be referred back to him and the Business Manager anyway and the Committee must just be about the process of reaching decisions. Directors must be aware of the significance when Auditors come in. He conceded that if the Board want this arrangement, it will have to be tried. The Chair said she was happy to qualify that the existence of an Audit Committee was reviewed one year after it begins operation and asked other Directors for comments. One felt that it was difficult to make a decision as he did not feel competent to do so. He did not want to see any division and the Principal should be comfortable with any decision made. Another felt that if this proposal was the norm in other Academies and there was evidence that it worked, he would be reassured but it felt like another thing the Board was being made responsible for; there were alternatives and the Board should consider if this option was really needed. The Chair of the Board said that she too did not really want this Committee but it was a requirement in the FAH. The Principal acknowledged that some kind of Audit Committee was required but a decision was needed on how to do it.

The Business Manager explained that the old 2006 regulations were for Converter Academies that were weak or failing and the role of a RO was required. Now that schools not in this category were converting to Academies, this was not the case. Other Academies have Audit Committees but the majority have added them to their

Financial committees.

A Director asked what the Board position would be if they did not accept this proposal. The RO said that they would be back to the position outlined on page 1 of his report. A Director felt that as long as the TORs were explicit and non ambiguous the proposal should be accepted.

The proposal outlined in the RO report to:

- establish a separate Audit Committee
- to limit its membership to those Directors not otherwise serving on the Finance and Premises Committee or Pay and Personnel Committee
- to consider appointing Associate Director(s) to serve on the Audit Committee
- to maintain the honorary position of Responsible Officer with a detailed specification of duties

was formally proposed with the provision of reviewing the situation one year after the Committee begins work.

Proposer: Mrs Rose

Seconded: Ms Innis

7 For | 4 Against | 2 Abstained

Passed by a majority

d) Risk Register

The Business Manager reported that there are many changes to be made to this document e.g. some need evaluating or having a status inserted. Following discussion it was agreed that these should be divided into areas covered by each committee for consideration. The Business Manager emphasised that this would need to be undertaken in the next round of committees and each one thereafter.

Committees'
agenda item

e) Summary of Academy accounts

The estimated carry forward at the year-end is £932,532; the breakdown of this figure is shown, leaving an unallocated reserve of £497k+. The surplus is not needed to balance the budget but may be required in future years. The Chair was concerned about this. The Principal explained that the LACSEG funding was diminishing, so the rewards of becoming an Academy were less beneficial. The Business Manager also explained that the Academy budget was still tied to that of the Somerset County Council and this year it does not favour big schools. A Director queried what carry forward the Academy should have. The Principal said in general it was 4-8 weeks' worth of expenditure, so the Academy was probably on the low side.

f) Summary of Leisure accounts

The summary submitted is now out of date and a new one will be issued. The centre should show a profit of £14k this year and has increased by £3k since the last report. The Business Manager said that part of the surplus was due to leasing costs not being charged out, as discussed at the last meeting. The next Leisure Board meeting will focus on a Business/Action Plan.

A Director commented that if this figure is still correct at the end of the year, it was very impressive.

g) Directors' Annual Report to parents

The report had been distributed prior to the meeting. There were no further comments and so it was proposed to distribute to parents.

Proposed: Mr Watson
Unanimously agreed

Seconded: Mr Coutts

5 ANNOUNCEMENTS

Policies - Freedom of Information: The Chair queried whether the changes agreed at the committee meeting had been made. The Business manager confirmed that wording had been amended to reflect that all Agendas, Board and Committee minutes would be published unless they were considered private.

Car parking on site – A Director raised a serious concern about parking on the site and asked if this was being looked at. Cars are frequently badly parked and there is nowhere for visitors to go. The Principal said that no further spaces could be provided and compared to capacity at other schools, Huish was very good. The car park near the church can be used and once the building works had finished that would ease the situation but he could not offer a better solution. The Academy are currently trying to address the number of parents coming on to site which does cause problems on the highway.

8.50pm. Staff Directors and guests were asked to leave for the next part of the meeting which was deemed confidential and minuted separately. Mrs Glide also left the meeting.

Meeting closed at 9.05pm



Full 19-3-14
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