

**Minutes of the Southerly Point
Co-operative Multi-Academy Trust
Finance and Resources Committee Meeting**

**Thursday 13th December 2018, from 4.00pm,
in the MAT Conference Room.**

<p><u>ATTENDING :</u> Donna Bryant Catherine Bird David Reynolds Susan Reynolds Kevin Thomas Lesley Lloyd Phil Cardnell Pam Miller</p> <p><u>In Attendance</u> Sean Pinhay [Chief Financial Officer] Maria Collins [MAT Business Manager] Alison Oliver [Bishop Fleming, Chartered Accountants] Pat Nicholas [Minute taker]</p>	<p>DBr CBi Dre SRe KTh LLo PCa PMi</p> <p>SPi MCo AOI</p>
<p><u>APOLOGIES :</u> Alan Horne Tony Sanders Karen Teague [MAT Administrator]</p>	<p>AHo TSa KTe</p>
	<p><u>ACTION</u></p>
<p><u>WELCOME AND DECLARATIONS OF PECUNIARY INTERESTS</u></p>	
<p>The Chair welcomed all those present. Under Declarations of Pecuniary Interests, Llo declared an interest as Chair of the Bright Sparks Preschool at Breage.</p>	
<p><u>AUDIT REPORT – ALISON OLIVER , BISHOP FLEMING Chartered Accountants</u></p>	
<p>AOI invited questions on her report, which had been forwarded to Trustees ahead of the meeting. Key areas included:</p> <ul style="list-style-type: none"> • Governance statement; a good level of attendance at Trust Board meetings had been identified in line with EFSA requirements. • Statement on regularity, propriety and compliance; no irregularities had been identified on compliance. • The statement of funds gave a breakdown by school of the costs of central services along with a comparison with last year’s figures. • Page 44 of the report provided a detailed explanation of the fund balances at year end for each of the schools including any deficit balances [currently only one school]; the overall position showed an increase in reserves of £410,313 [the LGPS Pension Deficit has also decreased by £495,000 to £3,739,000] • Cash flow remains in a strong position. • No material unadjusted errors were identified during the audit fieldwork. • AOI concluded with a review of the KIDD Report. This included the key audit risks covered during the audit process along with details of the work completed and any conclusions reached. There were no significant concerns raised, all concerns were either graded green 	

[x4] or yellow [x3], there were no red areas flagged the most serious level of concern. Below are details of the concerns raised and the planned actions to tackle them.

- Not all schools were providing parents with receipts for cash payments; this would be managed going forward by the use of Parent Pay. In the interim it was recommended that all schools ensure that a cash payment system is in place.
- Lettings income not charged consistently across all schools, new policy/procedure due to be issued in 2019.
- Duplicate supplier invoice processed, corrected during audit and auditors happy that systems in place would prevent this happening in future.
- Petty Cash reconciliations were not up to date. Concern raised during mid-year audit fieldwork [June 2018]. Petty cash reconciliations now up to date.
- Example of when tendering process had not been followed. All budget holders have been reminded of the rules around tendering. Policy and procedure also updated including a easy to follow flowchart. It was noted that this was already having a positive impact.
- One school was found to not be using the appropriate form for authorising overtime. All schools reminded of procedure and provided with template of the correct form.
- A note of the findings from the recent Internal Audit were also noted, Bishop Fleming were happy with the planned timeframe to address these findings and also were happy with the progress made so far.
- Prior year management points [x7 green] – all issues cleared from last year with the exception of Item 5 - Staff ID which again proved to be an issue in one school. School have been reminded of the requirements to retain ID as part of the staff recruitment process.

SPi reported that he was happy with the outcome of the audit; progress was being made and there was nothing that was unexpected.

Q. Under point 3 [previous year] VAT reclaim – does this mean that no VAT was reclaimed?

A. No. There was an issue with the software system at that time, which had since been resolved and SPi confirmed that VAT reclaims are now up to date.

Q. Do the final accounts need to be approved by the Members?

A. No. They will receive the final accounts at the AGM, but are not required to approve them.

Trustees offered their thanks to AOI for taking the time to present the report. AOI and MCo left the meeting at this point.

LATEST 2018-2019 MANAGEMENT ACCOUNTS

SPi circulated the management accounts for all the schools for the first two months of the financial year 2018/2019. These included payroll figures up to the end of October, and non-payroll figures to the end of November.

Overview

While the columns held a range of financial information, Trustees were advised that the important figure was in the variance box at the bottom right of the grid. If this figure was a significantly different from the planned budget, a narrative was provided on the second page to explain it.

- SPi provided a précis on each of the school's current financial position, explaining that it was as important to investigate what was going right, as well as where there were concerns.
- The information for the former Keskowethyans schools was did not include a brought forward reserve as the final accounts were still being prepared by Francis Clark.
- Overall there were no concerns and the variance reported to date is expected to decrease as the year goes on.
- Two of the schools appear to have shortfalls in the nursery funding/income. SPi to investigate further and report back at the next meeting.
- School funding was discussed, in particular the various ways that the Trust can support schools e.g. where levels of SEND were higher than average.

Q. At what point do the Trustees take action if a deficit is indicated?

A. Monthly management accounts will allow SPi and the CFT [Central Finance Team] to monitor the situation and act accordingly. With any serious or unplanned financial issues, the CEO could introduce interim measures in consultation with the head teacher.

	<p><u>Q. Why were some of the percentages missing from the reports?</u></p> <p>A.The HCSS system was working well, but the reports still lacked some of the information that SPi would prefer to have. SPi stressed that the variances, and not the percentages, showed the important information.</p> <p>The Chair thanked SPi for his report.</p> <p>[PCa joined the meeting at 4.45pm]</p>	
	<p><u>APPROVAL OF SPCMAT PROCUREMENT POLICY</u></p>	
	<p>SPi reminded Trustees that the policy was tabled at the last meeting, and as a result Trustees were given the opportunity to look at the policy and feedback at this meeting.</p> <p>There was a suggestion that the procedure to make an actual purchase [one quote only] for purchases below £1000 was too open-ended, and should perhaps be revised to below £500. SPi had investigated this and produced some figures for the meeting. Over all the schools, these purchases amounted was estimated to be £800,000 in total. That said, over 80% of the transactions were below £500 so the proposed reduction from £1,000 to £500 would only provide security for an additional £160,000. In light of this and the fact that monitored limited budgets meant that the system would be self-regulating the Committee felt the £1,000 limit provided the appropriate control and in turn appropriate workload. The CEO also added that a further level of control was in place due to the BACS checking process which ensured both the CFO and CEO get to see all transactions prior to payment. SPi thanked the Committee for their feedback and will arrange for the procedure to be distributed to all budget holders.</p> <p><u>Q Could central purchasing be a solution?</u></p> <p>A. SPi explained the difficulties of accommodating the individual preferences of the schools; it was important that the schools kept their individuality in this regard. Central purchasing could provide economies of scale, but storage would be an issue. Investigation was already taking place to look at products such as paper which could be purchased at a group level to hopefully create further savings.</p> <p>Any tightening of the purchase limit would be likely to meet with resistance; the current levels circulated to the schools seem to have been accepted by all.</p> <p>KTh proposed that the SPCMAT Procurement policy be approved without changes. SRe seconded the proposal and the Trustees agreed.</p>	
	<p><u>RISK REGISTER REVIEW</u></p>	
	<p>The risk register was shared with the meeting via the interactive whiteboard. The key points discussed were as follows:</p> <p>Item 1.6 Work has begun, but no change.</p> <p>Item 1.9 One round of producing the monthly accounts and circulating to head teachers and Finance Trustees had been completed. Trustees agreed that it was realistic to meet monthly with heads, and more frequently where issues were identified.</p> <p>Item 2.5 Date would be changed from April 19 to September 19.</p> <p>Item 2.6 Change from ‘schools’ to ‘budget holders’, and ‘create tailored scheme of delegation’ would be removed.</p> <p>Item 2.8 Will be amended at the next meeting once the LGBs have seen it.</p> <p>Action: DBr will raise the operational risk register at the next head’s meeting in January, to ensure that all have completed it.</p> <p>Item 4.2 Will be fortnightly from January 19.</p> <p>Item 4.3 Move the first bullet point across to green.</p> <p>Item 4.6 Move to Tolerate.</p> <p>Item 4.15 Move the standards letters [second bullet point] to the middle column.</p>	<p>DBr</p>

	<u>MINUTES AND MATTERS ARISING</u>	
	<p>The minutes of the meeting of the Finance & Resources Committee on Thursday 8th November 2018 were agreed to be an accurate record.</p> <p>Finance Policies and Legislation. Actions around the Reserves Policy, setting financial limits around the Employer Discretions Policy and looking at IR35 [intermediaries legislation] to be carried over to a future meeting as work was still ongoing.</p> <p>SCA Monies. DEI was to talk to all Headteachers regarding their aspirations in order to find their priorities and to put these into a timeline.</p> <p>Mullion Secondary Roof. Works were now complete and the only outstanding action was the reinstatement of the school field area used as the site compound. Quotations had been received and approved by the council but a question had been raised by DBr regarding payment for this work.</p> <p>Action: DEI to chase up Paul Solway.</p> <p>Other actions had been successfully completed.</p>	<p>SPi</p> <p>DEI</p> <p>DEI</p>
	<u>ANY OTHER BUSINESS</u>	
	There were no further matters for consideration to the meeting was brought to a close at 5.55pm.	
	<u>DATES OF FUTURE MEETINGS</u>	
	<p>The next meeting of the Finance and Resources Committee will take place on Thursday 28th February 2019, from 6.00pm, in the MAT Conference Room.</p> <p>Thereafter, meetings for the academic year will take place on:</p> <p>Thursday 6th June 2019 at 6.00 pm</p>	

Chair's Signature _____ Date _____