

ST BARTHOLOMEW'S SCHOOL
MEETING OF THE GOVERNORS' AUDIT & FINANCE COMMITTEE
THURSDAY 10TH MARCH, 2016 AT 7 PM IN R1
OPEN MINUTES

PRESENT:	Richard Deal (RD)	Appointed Governor, Chair
	Bruce Steiner (BS)	Finance Governor, Vice-chair
	Julia Mortimore (JAM)	Headteacher
	Ahmad Bhatti (AB)	Parent Governor
	Steve Foyle (SF)	Foundation Nominated Governor
	Karen Sadler (KS)	Parent Governor (from 7.45 pm)
	Jonathan Taylor (JT)	Appointed Governor
	Stephen Uden (SU)	Parent Governor
	Anna Carvisiglia (AHC)	Business Director
Helen Strutt (HSS)	Finance Manager	

IN ATTENDANCE:	Ian Peddie (IP)	Chair of Governors
	Peter Norman (PN)	Parent Governor
	Helen Sutherland (HLS)	Clerk to the Governors

1. APOLOGIES	Jeanette Clifford (JC)	Vice-chair of Governors
	Rajan Bhandari (RB)	Parent Governor

2. DECLARATION OF AOB

The following items were added to the agenda:

- Intangible Assets – HSS
- Insurance & Cleaning Tenders

3. DECLARATION OF INTERESTS

There were no declarations of interest.

4. MINUTES OF THE LAST MEETING – 21ST JANUARY, 2016

These were agreed.

ACTION: RD to sign

5. MATTERS ARISING

There were no matters arising.

6. MANAGEMENT ACCOUNTS

Summary Management Accounts for 2015/16

The Management Accounts were circulated in advance of the meeting.

i. Expenditure against budget

HSS explained that the budget had been approved last summer with a deficit of £24,000. However, savings to the year to date indicate a surplus of £85,000, in addition to the £20,000 put aside for the STP designated reserve. These savings are mostly from salaries which are re-forecast every month.

ii. Where is the budget under stress?

HSS reported that, in December, the sewage pumps had failed and had been repaired at a cost of £15,000. Running costs will continue to cause “stress” to the budget, particularly as the building ages, it is expected that maintenance costs will increase.

ACTION: Learning Resources Committee to look at a maintenance strategy.

iii. Finance Governor’s Report on the Management Accounts

BS confirmed that he reviews the accounts on a monthly basis. Governors need to consider whether to put sums aside for contingencies.

7. FINANCIAL STRATEGY

Reserves

HSS’ paper explaining terminology and practice regarding reserves was circulated in advance.

Governors asked if reserves can be used to alleviate a deficit. HSS explained that there is approximately £1 million in restricted reserves and another million in unrestricted. Some of the funds can be designated to support the deficit until the national funding formula (NFF) is known.

It was noted that it had already been agreed to postpone designating funds, eg for the Hub. The STP is the only exception because its replacement will be needed sooner, rather than later.

ACTION: Learning Resources Committee to consider a list of possible capital expenditure items for which conditional funding could be sought.

ACTION: HLS to circulate additional reserves document from HSS by email.

Governors thanked HSS for her explanation of the reserves.

Report from the Revenue Generation Group

RD explained that JAM, RD, AHC, JT, PN and KS had met on 1st March and agreed terms of reference for their work.

Plans include exploring:

- Grants and sponsorships
- Economies of scale such as the possibility of bringing cleaning contract dates in local schools into alignment so that there is the possibility of increased purchasing power.
- Providing speakers
- Providing training

- School lottery
- Investigating the option of having advertising on the website
- Attracting funding for specific projects.

It was also noted that there will be a solar panels survey over Easter.

8. FINANCIAL RISK REGISTER

The Financial Risk Register (FRR) was circulated in advance of the meeting.

BS explained that he had reviewed the FRR with AHC on 8th February. The process for assessing the risks listed was explained at the meeting and he is happy that they have been evaluated correctly.

It was agreed that it will be reviewed on a termly basis.

Governors suggested that it would be helpful to have more detail about the impact of each risk and how it will be valued eg an impact of “5” might have a value range of £10,000 - £15,000.

9. BENCHMARKING

Two documents were circulated in advance.

HSS noted that the reports are very helpful in understanding the variances between schools.

Governors asked why GAG income is so much lower for St Bart’s. It was explained that this is largely to do with SEN and deprivation funding; the demographics are different.

There are two years’ worth of comparable data now; further data over time will allow trends to be monitored and understood.

Governors noted that student:teacher ratios appear not to be higher than at other schools. JAM confirmed that it is possible to have different class sizes for pre- and post- 16 groups and this may explain the differences.

ACTION: HSS to find out the difference between school and self-generated income.

10. ANNUAL PLAN OF WORK REGARDING RISK

The Responsible Officer’s Report, carried out by CCW, was circulated shortly before the meeting.

Attention was drawn to the Summary of Findings on P3.

The Report recommends that JAM carries out her checks on the payroll at an earlier stage of the payment process.

AHC explained that there are issues because some of Capita's systems are incompatible with the way data is entered into SIMS. There are small errors each month that are picked up by the HR Officer's checks. Initially, there were many more errors than expected with Capita, however, it is now down to less than five per month, they are not substantial and these are corrected at the earliest opportunity.

HSS clarified that Capita has the authorisation for the payroll before JAM is able to sign-off but it is usually signed before the BACS payment actually goes through so there is time to stop it, if necessary.

AHC confirmed that there are two checking reports carried out in house before the payroll report goes to Capita.

11. AUDIT TENDER UPDATE

A summary of the presentations received for the Audit Tender was tabled at the meeting.

Four companies, James Cowper, HWB, Buzzacott and Crowe Clark Whitehill (CCW), presented their tenders for a three year contract.

It was explained that the companies invited to present were scored against the criteria on P3. All met the basic criteria but the costs varied quite widely.

AHC confirmed that the score did represent the consensus of the panel and that further information had been requested following the presentations such as double checking the corporation tax fee with Buzzacott. However, the further queries did not change the scoring.

Governors asked if the value added services were considered important.

AHC replied that they were and include training, newsletters, bulletins etc. which helps with staff development which is very important.

The proposal to recommend to the Full Governing Body that James Cowper should be appointed as the School's auditors:

Proposed: SF

Seconded: BS

Vote: unanimous

HSS asked who should carry out next term's Pension Audit. It was agreed that CCW should still undertake this work and that James Cowper will take over from the Statutory Audit.

ACTION: HSS to arrange.

12. FINANCIAL PROCEDURES

It was agreed to defer this item to the Summer Term.

13. AOB

Intangible Assets

HSS tabled a document and explained that changes in the SORP mean that there is an increased emphasis on intangible assets.

The tabled document is taken word for word from the EFA's wording. The only difference is the £500 diminimus and 20% for software. This policy was agreed.

ACTION: HSS to include in the Trustee Report.

Insurance Tender Update

It was explained that a working party is looking at the renewal of the School's insurance, including buildings.

There are some issues for consideration regarding the gaining of a valuation of the building:

- A full valuation will cost £9,000 but carries full legal liability.
- A desktop exercise has been undertaken at a much lower rate and produced a value of £81 million. This has no legal liability.
- The panel need to decide if they need a full, accurate valuation.
- Putting in an over-valuation would probably mean that any increase in premium would be less than the cost of the valuation.

The consortium route has been chosen, the tender is for three years and the next step is to complete a questionnaire and send it off.

The panel have agreed to use approximate figures and update if/when more accurate figures become available.

ACTION: SF & PN to see if they still have the close-out figure from the building of the school.

Cleaning Tender

This tender is under way and closes in April. It will report to the Learning Resources Committee.

These minutes are subject to final approval by the Audit & Finance Committee at its next meeting.

SignedDate

Chair