

MINUTES



Noadswood

BOARD: Audit Committee
SCHOOL: Noadswood School
DATE: 9th November 2020
TIME: 18:30hrs – 21:00hrs
VENUE: Remotely – via Teams

ATTENDED:
Tim Sunderland (TS) Chairman
Kathryn Marshall (KM) Headteacher
Neil Cotton (NC)
Lisa Taylor (LT)
Sam Lock (SLo) Internal Scrutineer
Kathryn Langdon (CL)

ATTENDING: Louise Instone Clerk

The Code of Conduct for Governors requires governors to be honest and open with regard to conflicts of interest (either real or perceived). Governors must not use their position for personal gain in business, political or social relationships. Therefore, a governor who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.

Items marked * are those in which a majority of Governors may have an interest because of some shared attribute. When considering these items, Governors should aim to achieve a balanced view, paying particular attention to the sources of information and advice, and remind themselves of their duties as governors and to act in the public interest.

Item	
1	Welcome and Apologies: Those present were welcomed by the Chair.
2	Procedural items: 2.1 Apologies for absence Apologies were received from Phil Trevett Absent – Chris Blake Sarah Staley and Rachel Jackson were not required to attend the meeting. 2.2 Confirmation of Quorum (3 Trustees, one of which must be the Head Teacher or appointed representative) The meeting was confirmed as quorate 2.3 Declarations of interest No pecuniary or personal interests were advised for any agenda item for this meeting
3	Any Other Business: Whistleblowing policy, brought by KM
4	Minutes: The minutes of the previous meeting - This is the first Audit Committee meeting held independently of the GPC meeting.



	<p>Matters Arising from the Minutes: None</p>
5	<p>Correspondence: To note any correspondence received by the Trust / Chair</p>
6	<p>Review: Terms of Reference TS brought the new ToRs to the meeting, he explained he had included all the Finance in this Committee rather than the GPC Committee and they were written to reflect where the school finances currently are and a way forward. CL agreed they were to the point and the remit of the committee was clear.</p> <p>There was a discussion regarding the updating of the Financial Manual. It was agreed the manual could be updated ready for the new Financial Year. TS questioned whether it would be better to wait until the finances were correct until the manual was updated.</p> <p>LT asked whether there are values set out in the scheme of delegation to approve contracts. TS wasn't sure and this will be looked into.</p> <p>Governors approved the ToR's and they can be taken to the FGB Meeting</p>
7	<p>Internal Scrutineer's Report and subsequent visit: SLo explained the report had been completed and circulated</p> <p>Capital Project (CIF reconciliations) the reconciliation has been worked on and it has been agreed where things should go, however this is a work in progress.</p> <p>Inventory – this is in progress KM speaking to SS, it is underway and will be complete before the Audit.</p> <p>Depreciation – at the last external audit the rate of depreciation of vehicles was 20 years which is too long, it was recommended this be changed to 10 years, this was agreed with Governors.</p> <p>TS recommended a structured strategic approach in the way we improve moving forward and not firefighting short term issues. Items to be concentrated on in the first instance would be the balance sheets and cashflow</p> <p>KM looked at high and medium level recommendations</p> <p>Visit: Remit was to look at Management Account process as they had fallen behind. The latest set of management accounts is for period 11, this hadn't been circulated. No balance sheet or cashflow. Cashflow is healthy so it isn't a priority now. However, the checking process of the balance sheet is very helpful.</p> <p>Slo looked at the balance sheet and went through a process with Angie on how to check everything and a template for this is set up moving forward. There will be a working document for everyone to see.</p> <p>Incoming expenditure – concern over the number of outstanding purchase orders that were not fulfilled and still on the system at end of July. Orders had been made but due to COVID-19 have not been fulfilled. Purchase orders were being used towards a guide for a forecast. Outstanding commitments were unlikely to be fulfilled. There was a lot of housekeeping to be done.</p> <p>Commitments should be there as a point of reference but not as a calculation in the monitoring report, this should be an indicator.</p> <p>Invoices had been posted in the wrong year and some invoices been allocated against the wrong purchase order number. Angie has now gone through all the invoices posted since her absence and she is happy they are now correct. SLo has asked for a report.</p>



	<p>There was clarification that Angie is the Finance Manager and SS and RJ are part time Business Managers</p> <p>August invoices are on the system old purchase orders have been cleared out. It is important when orders are placed in advance this is kept an eye on and completed when the order is fulfilled. There is now a system for forecasting.</p> <p>LT asked if there had been any procedure change and talking to staff? KM explained there has been budget workshops with all leaders to get this right. The leadership overall will support the work that RJ and Angie does.</p> <p>LT asked if there was any central ordering for example all department need paper? KM confirmed photocopying is now central. Budget holder, HOD, to plan their spend with us; outline what they need and budget set accordingly.</p> <p>TS explained it is important holders understand their budget, own the budget and don't overspend, these are the basics in how we are looking at the management accounts. Great to have the update from Sam but this probably needs addressing short term otherwise we don't know where the school is financially. I'm not sure we know where we are in September accounts?</p> <p>KM explained when she presented the budget in the summer there are differences now in terms of the end of year. We haven't had confidence in the accounts but I do feel more confident that the figures we are about to get are going to give us that confidence back. The external audit gives a timescale pressure, trial balance will be available by 21st November.</p> <p>TS asked how we are going forward with the account? KM asked Sam if she had confidence in the team going forward?</p> <p>SM Direct Management systems have changed over the last couple of years but the basic accountancy knowledge she is confident with. Now the backlog has been dealt Angie will be fine going forwards. The capacity of actual time to do things might be an issue. Figures are really needed by 15th/20th of the month but will that be feasible with her capacity.</p> <p>KM confirmed we will support Angie going forward to make this happen. The Team has capacity the work needs to be divided up.</p> <p>LT asked what have been the barriers and can they be reduced by other staff? KM explained it had been a perfect storm in the finances with Angie's long term illness, RJ's illness and new staff but they are feeling more sure of what they are doing.</p> <p>TS suggested Sam came back early next year to make sure the basics are right. SLo agreed she would and suggested the committee decide where she should look KM confirmed it would really help if SLo checked in again to look at the reporting once the end of year is complete so they are confident what they are producing for us. Governors agreed that SLo should come in again at the beginning of next year.</p>
8	<p>Action Plan from Internal Scrutineer's report: between now and external audit</p> <ul style="list-style-type: none"> • Inventory - KM was confident the inventory will be complete for the audit. • Disclosure of salaries – SLo explained it is important staff trustees are aware their salary will be disclosed. KM is still waiting for a reply from HWB regarding GDPR. Exact salaries do not need to be disclosed, just the band can be disclosed. TS confirmed he is happy for bands to be disclosed as long as it meets the guidelines. KM to action that. • Declaration of interest – this is complete • Governance information on the website – this is in progress and getting closer to compliance and ready for the audit. Anna Bendell's role has been adjusted to include this. • Separation of members – due to the current Articles we can't separate members from trustees but we can have independent members on the board. When the Articles are changed they will be able to be separated. CL has 3 people in mind to take up the post of members but would ideally like 5. TS agreed that 5 would be ideal and suggested CL became a member. He explained communication between the board and members can be difficult but with CL becoming a member that wouldn't be a problem. SLo explained the NGA are happy for the majority to be independent but they are keen on there being an overlap, it is



	<p>useful to have one person to communicate across the board. It is important the members role isn't just to look at the accounts at the end of the year, they must be active. It is good to have an odd number if you can.</p>
9	<p>Summary of monthly financial review TS explained that the £25,000 for the additional supply teachers relating to support through Corvid and change of staff must be documented.</p>
10	<p>Clarification of Chief Financial Officer (CFO) TS stated he was surprised the school didn't have a CFO. SLo confirmed KM is the Accounting Officer and the CFO would usually be someone who is responsible for finance. KM explained the situation the school had found itself in with SS going on maternity leave and she is once again about to go on maternity leave. RJ's role was to predominantly be HR and Marketing, however, she has supported in areas of Business Management overseeing a lot of Finance. KM asked for the advice of the Committee on how best to fill the CFO role. SLo explained the Head has been both in other schools. KM asked if there would be increased risk of her doing both? SL explained there would be no more risk than you already have as Accounting Officer. LT advised KM was already open to allegations. TS said there wouldn't really be any additional work. KM confirmed she would be happy to take on the post of CFO. The Governors agreed this was a good idea and thanked KM</p>
11	<p>Update on progress on ESFA report actions and close out of any other Internal Audit report actions KM explained she wanted Governors to challenge on the progress made on this, the training was so great and she wants to push forward with it.</p> <p>CL asked what the plan was to carry these things out? TS was concerned with the value for money – the staffing budget is as 80% which is average. We also currently have additional short term staff that will influence that. It is hard to get measures back to teaching and learning and a key measure is staff and TAs. The school still uses a lot of Hampshire support IT/Buildings they are very expensive, and the quality of services can be poor. KM explained there is working being done on the premises side of business management to get the best value for money. Curriculum philosophies that underpins the teaching and learning – Leaders have been talking about this, but it doesn't transfer to the figures. We understand ICPF as leaders but we haven't taken the time to put it into the figures in the right way and we need to do that. LT suggested there may be saving regarding how much teaching time teachers have. There may be difficult discussions to be had regarding timetabling and teaching commitment. TS express concern that between now and the end of the year the priority is getting the finances back on track. He couldn't see how there was also time to complete this work as well. KM explained the wider leadership team would be involved.</p> <p>Restructure of pastoral team. We have a restructure ready to go and we can progress it again. We have spoken to colleagues and they are already aware of it.</p> <p>KM confirmed she will keep updating the committee on this and will increase the detail of the plan in the future.</p>
12	<p>Academies Financial Handbook: KM confirmed the gaps have been identified and they are working to fill them. TS agreed with the gaps as set out in the summary update. KM explained once they are worked through there will be an updated report at the next meeting. TS confirmed there must be Procedures Updates and update on the handbook at the back end of this year.</p>
13	<p>Risk Management Update:</p>



	<p>SS & CL have been working on the risk register and have streamlined it considerably. There are timelines in the report for the leadership team to work to, and once they have worked on the risks they will contact the link Governor by the deadline. CL explained it had been reduced to roughly 40 risks and she questioned whether it could be streamline further. KM confirmed she was happy with it as it was.</p> <p>There will be a risk register ready by the external audit.</p> <p>KM asked LT if she was happy to support the Leadership Team with this and she confirmed she was.</p> <p>TS suggested it may be worth bringing a couple of the high-risk ones to each meeting and invite the Senior Leader involved to attend the meeting to talk about it. Governors agreed.</p>
14	<p>External audit plan – verbal update re: accounts approval prior to external review</p> <p>KM confirmed the accounts would be available prior to the external view. The Trial Balance will be completed by 21st November and P1 by 30th November. KM asked if anyone wanted to look at them prior to the external audit?</p> <p>TS & CL confirmed they would like to look at them and will discuss this as part of the monthly monitoring meeting, just to understand them.</p>
15	<p>AOB – Any other agreed urgent business:</p> <p>Whistle Blowing Policy KM explained this policy was extremely out of date and that she had updated it in liaison with the legal advisers, Stone King, and was asking for its approval from the Governors.</p> <p>CL confirmed she was happy with it and agreed it did need urgently updating. LT asked how it was updated and whether KM had support with it. KM confirmed she started with the Key and ran it past Stone King who confirmed it was in line with other such policies. KM also confirmed the Grievance Policy was a separate policy and this was up to date.</p> <p>Governors approved this policy</p>
	<p>There was discussion between Governors that the minutes from these Audit meetings wouldn't be added to the school website but TS would feedback key points at the FGB meeting. TS thanked KM for all the work she has done. KM thanked SLo for all the work she had done and that she was incredibly grateful.</p>
16	<p>Meeting Dates It was agreed that the next meeting will be on 1st March 2021 and 17th June 2021</p>
17	<p>To identify any matters to be recorded in the confidential Part B minutes – this is to be reviewed after TS has received the first draft of minutes.</p>
	<p>The meeting was adjourned by the Chair at 19.50 hrs</p>

Matters arising from the minutes of the Audit Committee Meeting held on 9th November 2020

Item	Action	Actionee	Status
6	Add ToR's to the FGB agenda for approval	LI	
6	Check the scheme of delegation to see if it includes approving contracts.	TS	
7	Organise for SLo to return to school in the New Year	KM	

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8	Arrange for salary bands of staff governors to be added to the website.	KM	
11	Update on progress on ESFA report actions and close out of any other Internal Audit report actions at the next meeting	KM	
12	Academies Handbook Update at the next meeting	KM	
13	Invite the Senior Leader involved in the High Risks to attend the meeting to talk about it.	KM	
14	Trial balance & P1 to be forwarded to TS & CL	KM	

Outstanding items:

Item	Responsible	Status

SIGNED BY:	
DATED:	