

AYLESBURY GRAMMAR SCHOOL

RESOURCES INCLUDING FINANCE COMMITTEE MINUTES OF THE MEETING HELD ON THURSDAY 23RD NOVEMBER 2017, 8.00AM



PRESENT:	Mr R Williams (Chairman) Mr P Bown Mr M Brock Mr J Collins Mr K Hardern	Mr D Kennedy Mr M Pilkington Mr M Sturgeon (Headmaster) Mrs A Ward
IN ATTENDANCE:	Mrs C Cobb Mr D Wilson	Clerk Finance & Resources Director
APOLOGIES:	Mrs J Dennis	Apologies received and accepted

1 ANY OTHER BUSINESS

The following item was tabled under Any Other Business:

- A second RiF meeting in the spring term.

2 DECLARATIONS OF INTEREST

Mr Kennedy declared he was married to the Headmaster's PA.

3 AUDIT FINDINGS REPORT

Mr Wilson reported positive feedback was received at the meeting held with the Auditors on 31st October, attended by the Chairman, Mr Brock and Mr Collins. The audit findings relate to the internal audit carried out. There were 3 minor items which the auditors had mentioned in their report. The first item (bank reconciliation) has been cleared. In relation to the second item (minor issues on purchases), the school will be looking to improve the ordering process and moving to an online system, which will be more efficient. **The Chairman asked if suppliers are routinely told they will not receive payment without a purchase order?** Mr Wilson responded suppliers have been told but possibly not routinely. **Mr Kennedy requested an update on purchases and the processes being put in place to make improvements at the next meeting.** on the third item (discrepancy on the census and pupil numbers), Mr Wilson reported the pupil numbers to funding numbers difference will be reconciled. **Mr Collins asked why the pupil numbers on page 31 of the accounts are not the same as the pupil numbers on the audit findings?** The Headmaster responded that when the census was taken AHS girls were in school having lessons and therefore they are included in the census, which skews the numbers as they are not included in the AGS admissions number. **Mr Collins asked to be reminded of the fees being paid to Landau Baker?** Mr Wilson responded under £5,000., All agreed this represented good value as they are extremely thorough in their work. **Mr Hardern asked if there was a conflict of interest for Landau Baker in carrying out the internal audit and the main audit of the accounts?** Mr Wilson did not think so as different teams do each audit. Governors further agreed having Landau Baker undertake

ACTION

Mr Wilson
Agenda

internal audits was also very beneficial and gave Governors confidence that the internal controls were working well.

4 FINANCE REPORT

Mr Wilson had previously circulated a report covering items 4.1 to 4.10.

4.1 STATUTORY ACCOUNTS 2016/17

Summarised SOFA - Mr Wilson reported the budget at operating level is showing a very satisfactory surplus of £170,000 and £208,000 in the statutory accounts, of which £128,000 was spent on capital projects. A further £27,500 had been set aside as a contingency in respect of the teacher's pension scheme early retirement issue previously discussed at the last meeting and further as minuted below. **The Chairman asked if the increase is due to the school generating income streams over and above the government funding?** Mr Wilson confirmed it was. Governors agreed this was a very good outcome particularly as funding has been so tight and expressed their appreciation to the Headmaster. **Mrs Ward asked why depreciation has been increased by £140,000 as the depreciation for the long-term assets e.g. buildings is 20 years?** Mr Wilson responded some of the items fall between this year and last year's purchases.

Governors agreed a recommendation should be made to the FGB for approval of the movement of £128,000 from unrestricted reserves to fixed asset reserves.

FGB Agenda

Statutory Accounts – Governors noted that in the Trustees report notes 8 and 9, at page 33 the 2016 column figures are going to be revised as they are inaccurate. **Mr Hardern requested in future the Trustees report included track changes** as it was easier for Governors to identify where, if any, changes are made.

Mr Wilson

Mr Collins reported he had reviewed the actuarial reports and they were accurate and they are being reflected accurately in the accounts.

Governors agreed the accounts for 2016/17 should be recommended to the FGB for approval once finalised (there were a few minor items to be completed/ tweaked).

FGB Agenda

Mr Brock asked if there was anything in the accounts which will affect the 2017/18 budget? Mr Wilson responded that the two early retirements in 2011 might if found to be a liability of the School affect the budget. The Teacher's Pension Scheme contacted the school in the summer 2017 regarding the pensions for two ex-members of staff giving an option to pay a lump sum of £80,000 or £4,800 per annum for the two ex-members of staff life time. Any payment under either option will affect the budget. Mr Wilson further reported that the matter is being investigated and legal advice is being sought as the liability appears to have arisen before the Academy Trust was formed, in which case the Trust should not be the party that bears the liability. Governors noted the TPS is not currently chasing for payment and no interest is being charged. Governors discussed and agreed VVW should be asked to quote as to how much their fees will be for engaging with the Local Authority on this matter and that as an interim measure £5,000 should be made available to take the investigation further. Governors requested to be kept updated on the progress of the investigation.

Mr Wilson

ACTION

Mrs Ward asked why management accounts have not been included in the pack? The Chairman responded that the FPM requires that Mr Collins and he receive monthly figures and that he raises queries on these as appropriate. Mr Wilson stated that due to changes in the system instigated on his arrival the monthly reports have not been issued yet this term but that he intended to recommence monthly reporting with effect from the end of the month. The Chairman proposed and all agreed that Mrs Ward should be added to the monthly circulation.

Mr Wilson

The Headmaster updated Governors on the current national funding formula position. Grammar schools were very well represented in the consultation and a consequential recommendation is going to be made to Mike Appleyard on 28th November on how much should be top sliced for high needs although ultimately he is not bound to follow the recommendation. Even if he does not follow it and allocates a larger proportion for high needs, it is anticipated that the school will still see a welcome increase in funding.

4.2 FINANCIAL PROCEDURES MANUAL

Mr Wilson reported no amendments have been made since June. **The Chairman suggested the sections on the Responsible Officer needed to be re-written and to refer to an internal auditor.** He also noted that it was some time since the School's banking arrangements had been reviewed (as the FPM requires) and it was agreed that these should be formally reviewed at the next meeting. **Mr Kennedy suggested and Governors agreed the whole manual should be reviewed and brought back to the next meeting for approval.**

Chairman &
Mr Wilson
Agenda

4.3 CURRENT YEAR'S ACADEMIES FINANCIAL HANDBOOK

Governors noted "the musts" previously circulated by Mr Wilson and agreed the FPM should be reviewed against these and the review should include amendments where necessary. .

4.4 GIFTS AND HOSPITALITY POLICY

Governors agreed having reviewed the policy it should be recommended to the FGB for approval.

FGB Agenda

4.5 REMISSION AND CHARGING POLICY

Mr Kennedy suggested and Governors agreed a standard refund policy should be included as a schedule to the policy and it should come back to the next meeting.

Mr Wilson
Agenda

4.6 LETTINGS POLICY & CHARGES

Governors agreed the policy, noting an increase in lettings charges of 3.5%, as an interim measure, but also that the policy should be further reviewed by VVV and brought back to the committee before being recommended to the FGB for approval.

Mr Wilson
Agenda

4.7 RISK REGISTER

Governors noted the risk register had been reviewed by the Headmaster and Mr Wilson. Governors discussed and agreed succession planning is high risk. **Mrs Ward asked if there was a succession plan?** The

ACTION

Headmaster responded there is not currently a plan but it is under discussion. The higher risks are within the support staff roles particularly IT and finance. Teaching staff receive a lot of CPD and development opportunities, so the risk regarding teaching succession issues is not as great. **Mr Hardern reported succession planning is being considered as part of the Business Continuity Plan that he is discussing with the Headmaster.**

Mrs Ward also asked if any analysis has taken place around the successful and unsuccessful CIF bids? The Headmaster responded guidance has been received. **The Chairman asked what the rationale is for a ran increase in risk concerning four out of the five categories under Management information?** Mr Wilson responded this is a consequence of the issue regarding staffing in the finance office (please see item 7).

Governors discussed and agreed the risk register should be apportioned out to each committee to review as indicated in the last column and the document should be reviewed by the whole FGB annually.

Headmaster

4.8 CONTRACTS AND LEASES

This item was deferred to the next meeting as Mr Wilson was reviewing the list.

Mr Wilson
and Agenda

4.9 CIF BID APPLICATIONS

Governors noted the two bids being made are for improvements to the power supply and an extension to the dining facilities and kitchen. The latter has been identified as a possible bid at a late stage following a study of the current year's guidance. The Headmaster further reported £2,500 is to be spent on drawing up plans for the dining facilities extension and a pre-application will be submitted to AVDC. Should the bid be unsuccessful the money spent will not be wasted as improving and extending the dining facilities is already part of the overall plan for the school.

Mr Wilson further reported CIF bid loans are now available with interest rates of 1.85% of the total loan to be paid back over ten years and that this was an alternative way of funding the School's proposed contribution. Governors discussed and approved in principle both CiF bid proposals and delegated to the appointed sub-committee (the Chairman, the Headmaster, Mr Brock and Mr Kennedy), further consideration as to whether a CIF bid loan should be taken out.

RiF Sub-
committee

5 MINUTES AND MATTERS ARISING

5.1 MINUTES

The minutes of the meeting held on 28th September 2017 were previously circulated and agreed to be a correct reflection of the meeting.

5.2 MATTERS ARISING

- **Pension Deficit, review of actuarial report** – This was taken under minute 4.1
- **Business Continuity Plan** – This was taken under minute 4.7
- **Health and Safety Training** – The Chairman, Mr Bown, Mr Collins and Mrs Ward had all completed training on health and safety. Mr

Kennedy reported he had completed the Local Authority five day training and Mr Brock, Mr Hardern and Mr Pilkington all agreed to complete the training and submit their certificate to the Clerk.

- **Seriously Fun Swimming** – The Headmaster reported the architect’s specification has been reconsidered An alternative to building an extension is to purchase a purpose built changing room, which will be considerably cheaper than the current quotes to build an extension. Mr Wilson also reported a quote is also being obtained from the builders suggested by Mr Bown.
- **Health and Safety Manual** – As agreed at the meeting on 28th September the Health and Safety manual is being recommended to the FGB for approval.

ACTION

Mr Brock, Mr Hardern and Mr Pilkington

FGB Agenda

6 HEALTH AND SAFETY COMMITTEE

There were no further matters to review since the last RiF meeting. The Chairman requested that in future minutes of Health & Safety meetings should include records of any visits/audits/ inspections in greater detail so Governors had greater clarity on what took place.

Mr Brock

(Mr Collins left the meeting)

7 FINANCE DEPARTMENT RESOURCES

The Headmaster reported the appointment of the Finance and Resources Director was at a strategic level to improve the finances and resources throughout the school. The combined loss of knowledge from the departure of the previous Finance Director, who undertook a lot of clerical work, and the Finance Officer was not appreciated until after the beginning of this term. . The two finance assistants are quite new to the role, are not full time, and are inexperienced in using the systems. The resourcing issue is further compounded by managing the payroll in house. There is also a backlog of work of two months in part due to the Finance Officer leaving in May and there being nobody in the finance office over the holidays who could process any invoices as she had done in previous years. Benchmarking has been carried out against 4 other grammar schools and AGS currently has at least one and half people less than other schools. The Resources and Finance Director's skill set is at a strategic level, which was what Governors had agreed the school needed. He is currently having to spend a large part of his time on administrative tasks. After carefully considering the make-up of and the requirements for finance team a recommendation to appoint a Finance or Business Manager was being made for Governors to approve. **The Chairman reported that he and Mr Collins had previously discussed the matter in detail with the Headmaster and Mr Wilson and were supportive of the proposal.** The salary of a Finance Manager would be circa £35-£40,000 per annum and a Business Manager circa £42,000. **Mrs Ward asked why payroll was being managed in house and should consideration be given to establishing the costs of outsourcing payroll before making any decisions?** The Headmaster responded it was his understanding when payroll was brought in house it was on the basis that it could be sold to other schools to provide an income stream. **Mrs Ward also asked if there could be any sharing of staff and systems with AHS?** The Headmaster responded the issue would be around accountability and would be almost impossible as two different financial systems are in place. **Mr Bown asked if the skill set of the new person should that of a good skilled accounts clerk i.e. a finance manager?** Mr Wilson responded it was important to have somebody who could lead and manage the team. **Mr Kennedy questioned whether payroll should be run in house and**

ACTION

whether it should be outsourced due to the issue of reputational risk. Mr Kennedy further suggested reviewing the financial software to enable sharing with AHS in the future. Mrs Ward suggested bringing a temporary person in straight away to reduce the back log of work. Mrs Ward also suggested drawing up a job description and then the title of the post would be better identified.

The Chairman reported that he was of the view that the increase to the budget would require FGB approval. Governors agreed a Finance/Business Manager should be appointed and an email should be sent to the Governing Body seeking their approval upon the recommendation of the committee to recruit a Finance/Business Manager (depending on the job description and to recruit a temporary person to clear the back log of work.

FGB Agenda

Governors further agreed payroll should be further discussed at the next meeting.

Agenda

Mr Kennedy further suggested the two Finance Assistants should receive training as soon as possible to support them with their work.

Mr Wilson

8 INTERNAL AUDIT CONTROL PLANNING

Governors agreed this should be deferred to the next meeting. **The Chairman requested one area for consideration for an internal audit will be an audit of the CIF works undertaken on the fire alarm system.**

Agenda
Mr Wilson

9 GOVERNOR SEF UPDATE

Mrs Ward reported Mr Kennedy, Dr Laljani and herself had met to further discuss the outcomes of the competency framework and it was her understanding Dr Laljani was going to further discuss this with the Chairman of Governors.

Governors also discussed the Governor SEF and agreed it should be updated, which Mr Brock agreed to undertake.

Mr Brock

10 FUTURE AGENDA ITEMS

Governors agreed a second meeting should take place next term on 25th January at 8.30am (by telephone) to discuss specifically the progress being made on improving the finance department resources.

All Governors
Agenda

11 DATES OF FUTURE MEETINGS

25th January 2018 at 8.30am
1st March 2018 at 8am
21st June 2018 at 8am

The meeting closed at 11.10am

Signed Date
CHAIRMAN