

Diocese of Gloucester Academies Trust Audit & Finance Committee Meeting Notes

Held on Wednesday 13 March 2019, 2.30– 4.30pm
At No. 3 College Green, Gloucester GL1 2LR

Minutes of the Diocese of Gloucester Academies Trust (DGAT) Audit & Finance Committee meeting held on Wednesday 13 March 2019, 2.30– 4.30pm at No. 3 College Green, Gloucester GL1 2LR

Present:

Professor D Cowper (DC)
Mrs R Dick (Chair)
Mrs R Howie (RH)

Absent:

Mr R Stokes (RS)

In attendance:

Mr N Patten, Accountant (NP)
Mrs R Scott-Berry (Clerk)

Item	Agenda / Item Discussed	Action Item
1	<p>Welcome The Chair welcomed the Audit and Finance committee. RS was absent.</p>	<p>DC to contact RS. <i>Post meeting note: DC reported back that RS was abroad on holiday.</i></p>
2	<p>Declarations of Interest There were none.</p>	
3	<p>Minutes of the meeting held on 16 November 2018 The notes of the last committee meeting were revised by the Chair, Clerk, and NP and were agreed as accurate.</p>	
4	<p>Matters arising from the last meeting The committee reviewed the action items from the last meeting and highlighted the following:</p> <ul style="list-style-type: none"> • Website Updates NP reported that the 2017-18 accounts were placed on the DGAT website, as required by the ESFA. There are some additional requirements within the new Academies Handbook 2018 which we are working with the schools to ensure compliance. • Census Reviews NP informed the committee that Finance Hub Officers have now been asked to perform spot checks at individual schools to ensure that census reviews are accurate. • Finance Policy NP reported that the new Finance Policy has been distributed to Headteachers and School Business Managers (SBMs). 	

5	<p>Central Staffing Organisational Review</p> <p>The CEO relayed that, as she announced at the Trust Board meeting last week, reorganisation of the DGAT central team has been implemented, following the period of review. As of 1 March, the central team are in their new posts, with Helen Springett as Deputy CEO, Nick Patten as Head of Finance, Rob Jones (RJ) as Head of Business and Operations. Steve Green has agreed to take on a temporary position as Finance Assistant. Chris Thompson and Katy Graham will be Finance HUB Officers. The CEO met with DCEO, NP, and RJ to strategize. They looked at what additional training they will need, and agreed that a third HUB lead will need to be recruited at some stage. The central team new structure should be implemented in full by September 2019.</p> <p>The CEO reported that morale is good; while she has been meeting and checking in with the team, she also advises that Trustees speak with the central staff members to discuss morale further.</p> <p>DC enquired if there had been any feedback from the schools about the changes to the central DGAT structure? RH explained that whilst there was initially concern from the schools about changes to their HUB officer, the schools have been reassured that there will be no immediate staffing changes. It was recognised that there will need to be close liaison between staff where changes in staffing do occur.</p> <p>The CEO has worked with Headteachers and SBMs throughout this school year to reiterate the message that we are all DGAT together. She reported that she has not had any negative feedback. There is clarity with the Schemes of Delegation and communication is improving with the schools.</p> <p>The Chair enquired if DGAT is in a good position to bring new schools in? The CEO confirmed that we have the capacity.</p>	
6	<p>Latest Academy Results</p> <p>NP distributed provisional February numbers. NP pointed out that some academies had significant DFC balances, and that some also carried high reserves. Academies will therefore be asked to clarify their intentions with respect to their reserves balances. Our auditors had also queried this at last year's audit.</p> <p>Bibury appears cash rich but that includes £30,000 per year from an anonymous benefactor.</p> <p>Dursley nursery is turning out a £10,000 surplus currently and this is helping with Dursley school's deficit. CT has been at Dursley today helping the head with the budget and monitoring the overspend. If there isn't enough impact by end of April, the CEO will meet with the Head, the Chair of Governors and the Chair of the Finance Committee.</p>	<p><i>ACTION: CEO to attend a Resources Committee meeting at Dursley.</i></p>

	<p>North Cerney had extended staff absences in the Autumn resulting in additional supply expense and there will be a settlement payment, as well as groundworks expenses. DC enquired if North Cerney and Bibury could have any additional shared expenses going forward? This topic can be discussed at the next meeting. NP explained that HUB Officers are currently challenging the SBMs with their mid-year position.</p> <p>KG will be meeting with the Head at St John's today. Trustees enquired if there anything DGAT can do to provide additional support to them with their finances? The CEO reassured that she and DCEO continue to meet with St John's to support them.</p> <p>NP reviewed the rest of the schools with a brief overview of their DFC and reserves. He will continue to send a balance sheet and financial report every two months to the Board members, with monthly financial data sent to the Audit Committee monthly. The Chair enquired if there had been any feedback from Trustees? NP explained that there have only been responses from the Financial Trustees. The Chair reassured that she will engage with the Trustees if they have any questions for the Audit and Finance trustees.</p>	<p><i>ACTION: Add the topic of North Cerney and Bibury shared expenses to next agenda.</i></p>
7	<p>School Condition Allocation (SCA) Update RH reported that we have a system in place for the School Condition Allocation (SCA), however, the amount has not been confirmed by the ESFA as yet. Condition surveys were commissioned for each of the academies in the past month, and the results are available in the new dashboard. Trustees agreed that we wait to see how much SCA funding the Trust is allocated. As soon as the SCA funding is allocated, then the Estates Committee will need to act quickly to make a decision about how to spend the funds.</p>	
8	<p>ESFA Returns and 2019-20 Budget deadlines and approval dates NP reminded the committee that the ESFA Academies Financial Handbook 2018 stated that both the Budget Forecase Return Outturn and the subsequent Budget Forecast Return should be approved by the Trust Board. NP intends to submit the Budget Forecast Outturn by 15 May 2019. NP proposed that the Trust Board delegate returns to this committee for the new ESFA requirement and committee members agreed.</p> <p>NP will circulate the Budget Forecast Return by 27 June 2019 and the committee will review it together at the July 2019 meeting with the actual submission date being end of July.</p>	<p><i>ACTION: Trustees to request at the next Trust Board the approval of the Return is delegated to the Audit and Finance Committee rather than to the Trust Board.</i></p> <p><i>Add Budget Forecast Return to the July committee agenda.</i></p>
9	<p>Bank Account Excess Funds NP reported that Field Court would like to generate a greater return by investing surplus bank account balances. The ESFA handbook states that securing the funds takes precedent. The handbook also refers to trusts not having substantial surplus funds without a clear plan for its use.</p>	<p><i>CEO and NP to work together to further research centralising school investments.</i></p>

	<p>DC noted that some of the interest payments could be used to help some of the smaller schools, with those that have most supporting those who have least. DC also enquired if all investments went in to one account would there be a higher return of investment? Trustees would like this to be pursued and looked into, with a backdrop of asking the schools what they are keeping their central reserves for. The CEO and NP to work together to further research centralising school funds and speak to HT about it.</p>	
10	<p>Top-Slice on Nursery Grants</p> <p>NP explained that currently, DGAT does not get any money from nurseries, because a top-slice is not taken from them at all. Trustees enquired if we could charge the same amount to the nurseries as we do the schools? The nurseries are still using the central resources, but not paying for them.</p> <p>NP provided analysis of potential topslices & possibilities. The committee concurred that rather than a top slice, a specific fee be charged upon joining DGAT and that we should consider charges where extra work is required for existing nurseries.</p>	<p><i>ACTION: Committee to look at charging a specific fee for nurseries upon joining DGAT.</i></p> <p><i>Finance Officers to work with nurseries on turnaround of invoices.</i></p>
11	<p>Levels of Supply Bought-In</p> <p>NP provided the committee with an analysis of agency costs. He reported that some of the schools use GCC for supply and other use internal or external supply agencies, such as Hays or Monarch. It is known that some schools pay different rates with agencies. The analysis raised the question as to whether supply could be provided centrally. The committee agreed with the findings that centrally employed supply was not the most financially advantageous,. The trustees noted that for those schools who employed supply staff directly it was more cost effective. It was agreed that there is scope for centralising agency negotiations. The CEO will take the topic to next HT meeting.</p> <p>Staff Absence Insurance</p> <p>NP reported that the academies vary as to whether they have staff absence insurance, and the decision has been theirs to make. Some self-insure and some do not. They can choose whether they have various covers depending on the needs of the school. DC noted there is so much diversity with the schools that it cannot be brought back centrally. The CEO will discuss this topic with HT.</p>	<p><i>CEO to take supply levels to next HT meeting.</i></p> <p><i>CEO to discuss staff absence insurance with HT.</i></p>
12	<p>AOB Benchmarking</p> <p>NP explained that DGAT's auditing firm, Bishop Fleming, has provided an 'Academy Benchmark Data' document. The CEO added that there is an additional DfE benchmarking tool that can be utilised as well. Both benchmarking tools can assist schools in their review of costs, bills, and their budgeting process. The CEO asked that NP distribute the benchmarking tools to Headteachers (HT), School Business Managers (SBM) and Chairs of Governors (CofG).</p>	<p><i>NP to distribute benchmarking tools to academy HTs, SBMs, and CofGs.</i></p>

	<p>Former Field Court Head The CEO announced that the previous Headteacher at Field Court Infants has been struck off the teaching register earlier this month. Lucy Taylor in the diocesan Communications department is handling the press. Since this was a historically finance related issue, the CEO requested that this be documented in the Finance Committee minutes.</p> <p>Dates for remaining 2019 Committee Meetings Committee members agreed to meet on the following dates for the remainder of 2019:</p> <ul style="list-style-type: none"> • Wednesday 3 July 2019 2:30-4:30pm • Wednesday 13 November 2019 2:30-4:30pm 	
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Actions from this meeting	Responsibility	Progress/RAG
8.1/130419 Trustees to request at the next Trust Board the approval of the Return is delegated to the Audit and Finance Committee rather than to the Trust Board.	RD	
8.2/130419 Add Budget Forecast Return to the July committee agenda.	NP/Clerk	
9.1/130419 CEO and NP to work together to further research centralising school investments.	CEO/NP	
10.1/130419 Committee to look at charging a specific fee for nurseries upon joining DGAT.	Committee	
10.2/130419 Finance Officers to work with nurseries on turnaround of invoices.	Finance Officers	
11.1/130419 CEO to take supply levels to next HT meeting.	CEO	
11.2/130419 CEO to discuss staff absence insurance with HT at next meeting.	CEO	
12.1/130419 NP to distribute benchmarking tools to academy HTs, SBMs, and CofGs.	NP	