

**MINUTES OF THE 98th FINANCE AND RESOURCES COMMITTEE MEETING
HELD AT ASHCROFT TECHNOLOGY ACADEMY ON
WEDNESDAY 11 DECEMBER 2019 AT 16.15**

Present: Dick Whitcutt (DW) - Chair, Richard Perry (RJP), Douglas Mitchell (DMI), Stewart Harris (SH), Angela Entwistle (AEE), Tony Bothwell (TBO), Kevin Chamberlain (KC)

Absent: Rachel Branagan (RB) and Tony Bothwell (TB).

In Attendance: Jane Kiddell (JKD) (Minutes)

Start Time: 16.15

1. Apologies for absence

Apologies were passed on from RB and TB who could not attend due to work commitments

Welcome to JKD formally, who was introduced as replacement of Conor Hewitt.

2. Declaration of interest

No interests were declared.

3. Minutes of Last meeting

The minutes of the last meeting were agreed as a true and accurate record.

Regarding the upgraded Learning Resource Centre (LRC) it was asked whether statistics on how many Pupil Premium students were making use of the facility before and after school.

DMI agreed to update on this at the next meeting

4. Matters Arising

RJP advised the Committee the remaining snagging works to the LRC had been complete.

5. Annual report and Financial Statements 2019

RJP discussed the Annual Report and Post-audit Management Report, the latter identified no issues with compliance.

RJP handed out final drafts to the Committee, there were no changes to the figures, some wording in the reports had changed along with a few presentational improvements.

There has been a drop in the overall fund balances of £2.2m, 10% of the total balance of last year, the vast majority of the drop was down to pension fund movement, (approx £1.5m), even though this is strictly a separate reserve.

RJP referred to page 11 of the Post-audit Management Report which gave a useful breakdown of the operational deficit for the year (£276K) and how it was arrived at. In 2018 there was a surplus of £50K.

RJP explained the differences between Restricted General Funds, Restricted Fixed Asset Funds, Unrestricted Funds, and their respective balances at the year end. These are shown in Note 16 of the notes to the financial statements.

The results show the Trust is spending more than it is getting in and the aim continues to be to minimise this annual deficit whilst maintaining the full operations of the Academy, The Trust has reserves totalling £4.5m and remains in a good financial position.

RJP was due to update the five-year financial forecast for the Annual Trustees Meeting next year but the existing one indicated an approximate £300K deficit for this year and £500K for next year which would utilise most of the remaining funds from the Restricted General Funds.

RJP advised that the reserves policy agreed by Trustees recommends retaining unrestricted funds to cover 3 months' operational expenditure, this remains relevant bearing in mind the current annual deficit situation.

KC asked about the carry forward maximum percentage for General Annual Grants (GAG). RJP explained that this is 12% of annual funding and that the Trust sits well within this maximum. He added that such restriction is not included in more modern funding agreements although few schools would accrue anything like this percentage of carry forward in the current climate.

For the past few years the accounts have been qualified by the auditors, as the trust did not declare salary bandings for senior members of staff as required by the Academies Financial Handbook. The Trustees had previously agreed the Trust should not declare it for business sensitivity reasons. However, there has been a push for greater transparency and the Trust will now make the required declarations from this year onwards

RJP asked for any comments on the accounts by mid-day Monday, in order that they can be fully signed off and submitted to the Education and Skills Funding Agency (ESFA) by Christmas break.

6. Fraud Assessment 2019 & Regularity Self-Assessment

RJP had circulated these documents - required as part of the annual audit - and confirmed there were no issues to raise. Members of the FRC noted these.

7. Responsible Officer report

SH, in his Responsible Officer role, had undertaken 3 separate visits to the Academy and performed a range of checks including payroll, purchases, expenses, bank reconciliations and control accounts and had produced a report for the benefit of the Trustees and circulated to the FRC for information. SH again confirmed that no material issues had arisen during his checks.

This internal audit work has become a key focus of the ESFA and some of the processes may alter in the future depending upon what are deemed to be the biggest financial/operational risks to the Academy. The report is also required to be submitted to the ESFA along with the accounts.

8. Capital Developments

DMI expressed frustration at the slow pace of work scheduled for this coming summer to accommodate the increase in student numbers. DMI had sent an email enquiring when the next Client Engagement meeting will take place. It was felt that even though we are the smallest project within the Wandsworth Secondary School Expansion Programme, we should not be forgotten about. The work needs to begin by May half term to be completed over the summer.

DW asked about contingencies if delayed. DMI reassured the DW that the Academy is able to accommodate the extra classes for 2020 but the following year 2021 would be difficult to do so.

9. Revenue Funding 2019/20 Update

RJP had circulated figures up to end of October. RJP would circulate updated variance sheets to the end of November between meetings. Another requirement of the ESFA is to circulate full monthly accounts to the Chair of Trustees. In the Academy's case he would forward these to SH as required.

10. Benchmarking

RJP had shared the generic document from the Auditors in advance, but advised that a similar, more relevant report is contained within the Post-audit Management Report from the Auditors. RJP suggested that he would go through this at the next meeting.

RJP later referred to the School Resource Management Self-Assessment Tool mentioned on Page 22 and confirmed that a return had been made to the ESFA for the trust and circulated a copy to members of the FRC at the meeting.

The 3rd page usefully showed a range of financial measures and benchmarks although some of the rating categories were a little confusing.

11. Annual Report and Financial Statements 2019 – Trading Subsidiary

RJP briefly discussed the financial statements for the Trading Company and advised that a year-end donation of £112,500 had resulted. This was higher than the £90K donation the previous year.

Academy Policies

The Academy is looking to introduce a safer recruitment policy. FRC members had read the draft document and were happy for this to be adopted.

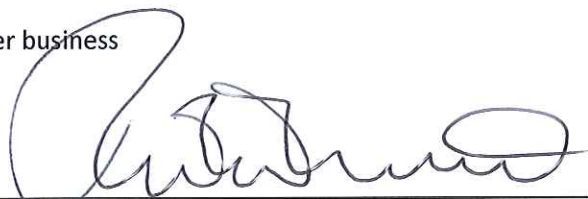
12. Any Other Business

No other business

Signed:

Richard Whitcutt

Chair of Executive Board



Date: 27 / 02 / 2019



