

**MINUTES OF THE MEETING OF THE  
MAYVILLE PRIMARY SCHOOL AUDIT AND RESOURCES COMMITTEE  
HELD ON WEDNESDAY 6 DECEMBER 2017  
AT 5.00PM  
AT THE SCHOOL**

Present: Mrs Chindo Singh (Chair) - Trustee  
 Ms Lorraine Barella - Trustee  
 Mr Rasheed Dauda - Trustee (arrived 5.17 pm)  
 Mr Walter Harding - Trustee  
 Ms Carnett Russell - Trustee  
 Mrs Ann Smart - Trustee

Clerk to the Trustees: Mrs Gillian Barton

Also present: Mr Hugh Swainson, Auditor, Buzzacott LLP; Mr Josh Selfe - Trustee (joined at 6.11 pm)

**Summary of agreements and actions:**

Minute reference	Formal agreements and/or actions identified	Named person(s) for action(s) identified	Completion date
7.12	To look at absence data and compare with national and local statistics.	Ms Barella	By next meeting
	Date of next meeting: 24 January 2018 at 5.00pm		

**1. WELCOME AND APOLOGIES FOR ABSENCE**

- 1.1 The Chair welcomed all those present and noted that it was a special meeting to consider the accounts. She introduced Mr Swainson, the auditor.
- 1.2 Apologies for absence were received and accepted from Mr Opoku-Boateng.
- 1.3 The Clerk confirmed that the meeting was quorate with five trustees present (six from 5pm).

**2. DECLARATIONS OF INTEREST**

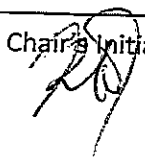
- 2.1 There were no declarations made pertaining to any of the agenda items for this meeting.

**3. ITEMS FOR DISCUSSION UNDER AOB**

- 3.1 Ms Barella note two items of other business. Mr Harding noted one confidential item of other business.

**4. MINUTES OF PREVIOUS MEETING**

- 4.1 Trustees received the minutes of the committee meeting held on 4 October 2017 and noted two typos in the minutes at paragraphs 7.1 and 10.3. The word "complaint"

Chair's Initials:  


should be amended to "compliant". They agreed that the action point at 6.1.3 was not an action but a suggestion by the clerk. Trustees **agreed** these to be an accurate record, subject to the amendments noted. The Chair signed a copy of the minutes and these were retained by the school.

4.2 **Matters arising:**

There were no matters arising.

5. **TO RATIFY THE AUDITED ACCOUNTS THAT NEED TO BE SUBMITTED TO THE ESFA BY THE 31 DECEMBER 2017**

5.1 Mr Swainson tabled the draft Annual Report and Financial Statements for Urbis Academy Trust, which provided financial statements for the year ending 31<sup>st</sup> August 2017 and the post-audit Management report. He said this was accompanied by a management letter. The auditors considered the financial statements provided a true picture and had been properly prepared following the Academies Accounts Direction 2016-2017, issued by the Education and Skills Funding Agency (ESFA) on production of the accounts. He drew trustees' attention to some key points:

- (i) The auditors were satisfied that the **Trustees report** set out the structure of the Trust and its activities during the year and followed the appropriate guidance for charities.
- (ii) The **governance statement** provided details of committees, attendance and internal control processes.
- (iii) The report showed the **regularity self-assessment** confirmed the processes in place to ensure regularity, propriety and compliance within the Academy Trust, which were signed off by the Accounting Officer.
- (iv) The **statement of trustees' responsibilities** was a statutory requirement, for signature by the Chair of Trustees on behalf of all trustees.

5.2 Mr Swainson said that the audit opinions were that:

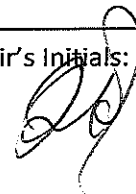
- (i) the annual report and financial statements represented a true and fair view of the Trust's position
- (ii) that there were no irregularities to report.

5.3 The balance sheet showed the funds at year end (£208k and £132k revenue reserves) had grown from the previous year. Ms Barella noted that the accounts showed the Trust to be in a strong position and better than at the previous year end.

**Mr Dauda arrived at 5.17pm.**

5.4 Trustees asked how it was possible that the Trust was in a stronger position if the Trust's total reserves had decreased. Mr Swainson said total funds had decreased but cash and revenue had increased, so there was an "operational" surplus. Last year the building had been enlarged to enable an increase in the size of the school and marketing had taken place to increase pupil numbers, but depreciation for the building was shown in the accounts. The report included the accounting policies which set out the basis for depreciation of assets e.g. the building. Once the movements in the tangible fixed assets fund had been stripped out, there was an "operational" surplus.

5.5 Mr Swainson drew trustees' attention to items in Appendix 1, Unadjusted misstatements and Appendix 2, Audit observations and recommendations, which found no significant deficiencies in the accounting and internal control systems. Issues were graded according to urgency and showed auditors recommendations



and action taken by management to address the four points raised. He pointed out the comparison of financial ratios in Appendix 3, which showed the Trust to be in a good position. In general, the sector was struggling to balance the books because of higher staff costs, but the Trust was managing this at present. Ms Barella said staffing accounted for 61% of expenditure last year but agency staff needed to be included and the figure was now 67% in the audited accounts. Referring to the management accounts where all staff are taken into consideration the figure is 73%. Staff costs were not expected to reach 75-80% as a buffer had been built in for sickness etc, although the position would change if e.g. three staff took maternity leave then costs would increase.

- 5.6 Trustees asked for an explanation of the pension liabilities, which were based on everyone retiring on the same date. Mr Swainson said that pension liabilities were calculated by actuaries, based on assumptions. The actuarial methodology used was that required by accounting standards. Benchmarking provided some confidence about assumptions made for this school, which showed that they were similar to those made for other schools (Appendix 3). The liabilities for the Local Government Pension Scheme (LGPS) would change from year to year. Trustees asked about the implications for setting a budget, given that changing liabilities presented a degree of risk. Mr Swainson said the key was in the increase to the contribution rate or making a lump sum payment. Current contribution rates followed a triennial valuation; any change in the contribution rate would have an impact.
- 5.7 Trustees were informed that the Trust had budgeted for everyone to be in the LGPS, although some staff had opted out. There was a margin of 21.7% on payroll. There was no indication that the contribution required from the academy would increase, however it was likely that the member contribution rate would do so. Currently members paid a 6% contribution to the LGPS. From next year everyone would be auto-enrolled into a pension scheme, but at present people are able to opt out. The Teachers' Pension Scheme (TPS) (where more contributions are made) does not get recorded on the balance sheet.
- 5.8 Mr Swainson commented on the **management letter**, where the focus was on forming an opinion on the accounts. The audit process had been smooth and he wished to thank Lorraine Klein and Kerry Day. When Buzzacott received the letter from the Board of Trustees, they would get the final statement.
- 5.9 The accounts were compliant with academies' accounts direction and policies were appropriate for an academy trust. No adjustments had been made, other than presentational points. The net impact of these was a reduction in funds of £4.5k. There were no significant issues with internal control and all points raised had been concluded satisfactorily. Trustees asked questions as follows:

Q How do Trustees know what to look for?

A Look at the internal controls, audit, minutes and check that governance processes are appropriate.

Q What level of detail should trustees be looking for?

A Look at structures, attendance at meetings. There is a financial regulations handbook that auditors would use to check that processes had been correctly followed e.g for contracts, payscales etc and a proper audit trail. All personnel files were submitted to the auditors, who would e.g. check that the school was no longer paying staff who had left the school. These checks were designed to provide reasonable assurance on regularity and conflicts of interest.



- 5.10 Trustees noted that all staff, including supply staff, complete declaration of interests forms annually in September.
- 5.11 The Committee Chair thanked Mr Swainson for his presentation. Trustees noted the letter of representation was a standard letter signed by the Chair of Trustees on behalf of the Board, similar to last year. It confirmed the school was a going concern and had systems in place to prevent fraud. There were no bespoke or unusual points in the letter. Mr Swainson confirmed that the auditors' checklist informed the plan for the audit. The Chair and the headteacher would need to sign the letter and accounts.
- 5.12 Trustees **agreed unanimously** to approve the accounts. The Chair of Trustees said that he would recommend to the full governing board that he was satisfied with the accounts. As the accounts needed to be submitted before the end of the year and the next full governing board meeting was scheduled for January 2018, trustees considered how this might be achieved.
- 5.13 The Chair of Trustees noted that all board members had been invited to this meeting and he would constitute the current meeting as a meeting of the full governing board. The full governing board meeting was quorate with seven trustees present. The full governing board approved the accounts and the Chair of Trustees and headteacher signed copies for Mr Swainson to take away.

NB: the Audit Committee's terms of reference provide that:

The resources committee has delegated powers to authorise decisions necessary on grounds of urgency.

- 5.14 Mr Swainson said that Buzzacott offered free seminars on accounting for non-accountants, which trustees might like to attend. The Chair thanked Mr Swainson and he left the meeting.

## 6. DATE OF NEXT MEETING

- 6.1 The next meeting would be held on 24 January 2018 at 5.00pm.

## 7. ANY OTHER BUSINESS

- 7.1 The headteacher noted one item for the full governing board, which could be dealt with by Chair's action.

***Mr Selfe joined the meeting at 6.11pm.***

- 7.2 The Chair of Trustees said the meeting would be convened as a full governing body meeting.
- 7.3 The headteacher explained that in September there was a surplus of children in year 1 so the surplus went to year 2 and reception, thus there were mixed year groups in Key Stage 1, with 30 children in every class. She had been asked to take an additional child. However, this would mean the school would exceed the class size limit and would require another class to be set up and another teacher employed, which would have financial implications. She therefore sought the agreement of the Trustees to close the PAN (pupil admission number) for the current years 1 and 2 and in September, to close the PAN (for current reception children when they start in



year 1) at 60 pupils. Consultation would be needed to close the PAN for the reception class. This would mean that there would be a maximum of 60 children going through the school in future. There were currently 185 children in reception and years 1 and 2, and technically the school was a three-form entry, although there were only five children more than two form entry. The structure of the school would have to be rearranged to accommodate an extra child.

- 7.4 A decision on admitting an additional child had been made by the Fair Access Panel, which the headteacher was appealing on the grounds that the panel had not been fair as it had not followed correct procedures: she had not been given the required seven days' notice period.
- 7.5 Trustees asked about the position if there were 90 children in the nursery. The headteacher said nursery children were not automatically admitted to the school as there was an admissions procedure. In future the school could take on a bulge class but would not expand on a permanent basis.
- 7.6 The Chair of Trustees recommended that for financial reasons the PAN should be reduced from 90 to 60 in years 1 and 2 and in September to 60 for the current reception classes. Trustees **agreed** that the PANs should be closed as recommended.
- 7.7 The Audit Committee was re-convened.

#### **Charging and Remission policy**

- 7.8 Ms Barella said the Charging and Remission policy had been amended to reflect new dates, but there were no other changes.

#### **Marketing strategy**

- 7.9 She said the marketing strategy had worked; there had been a £10k budget for advertising on Leyton and Leytonstone stations. Adverts were no longer placed in the Walthamstow Gazette as this had not proved to be good value for money. The nursery had expanded and there were now 17 full-time children. It was taking in children from 2 years (who were dry). Parents were entitled to 30 hours of free nursery provision. There were 15 children on a waiting list for January. Other local nurseries had closed down or lost funding. The headteacher said it was difficult to determine a pattern, but there may be fewer admissions and removals in future, due to demographic changes. There were 440 children on the census return.

#### **Pupil Premium – questions for governors**

- 7.10 Ms Barella tabled a paper with questions and answers about the pupil premium and explained these. It would be important for trustees to be able to explain the use of the Pupil Premium to Ofsted. Mrs Singh said she was the Pupil Premium link governor; Mrs Smart was the link governor for attendance and behaviour.

#### **Exclusions**

- 7.11 Ms Barella said one child had been excluded for seven and a half days this year and the headteacher was working hard with the parents to address the issues causing the exclusion.

#### **Staff absence**

- 7.12 Ms Barella said there had been 78 days of staff absence out of 2950 days, a rate of 3%. The headteacher said one member of staff had had an operation using the school's private healthcare, which was quicker than the NHS, resulting in less

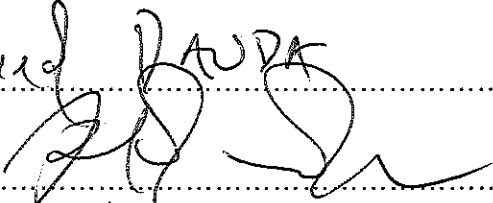


absence overall than would otherwise have been the case. The Chair requested a graph/chart for the next meeting so trustees could monitor absence and sickness.

**ACTION:** Ms Barella to look at absence data and compare with national and local statistics.

- 7.13 Ms Barella also noted that included in the pack were:
- An inspection checklist for the Chair of Governors.
  - A finance report. She was said there were no valid figures for 2016 so the financial benchmarking was against four other schools.
  - A summary of performance management showing two members of staff had passed the threshold.
  - The Pupil Premium policy, included for information.
- 7.14 Trustees discussed preparations for Ofsted and the availability of trustees to meet the inspection team. They **agreed** all trustees should prepare to meet Ofsted.
- 7.15 The Chair of Trustees reported on the visit of the Member's the previous day, including Mr Robert Singh (School Improvement Adviser for the Brent Partnership) Sir William Atkinson and Mr Hodges, Head of Forest independent school. Their feedback was that the school was operating on an outstanding basis; everything was of a very high standard and results were extraordinary. They remarked that the richness of the environment was stimulating and was a very purposeful and warm environment for learning. They commented favourably on the children's attitude to learning, the teachers' attitude to children and the displays.
- 7.16 The head teacher left the meeting at 6.56pm for the last item of confidential business.

The meeting closed at 7.15pm.

Chair: ..... Rashed BAUDA ..... (print)  
.....  ..... (sign)  
Date: ..... 29/01/2018 .....  
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