

QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

Minutes of a meeting of the Governors' Finance and Pay Sub-Committee held on 12th November 2018 at 6pm.

Present: Mr P Buckland Miss R McMann (Clerk)
Mrs G Gravett Mr Airey (arrived during item 3)
Mr R Dawson Dr T Castles
Mrs K Rae Mrs Warner
Mr Ray Dr E Mawson
Mrs Boving-Foster

Quorum per Terms of Reference - 4 Governors

Governors present: 7 until item 3, 8 thereafter and for the duration of the meeting.

Visitors: none

1. Apologies for absence

Apologies were accepted for Mr Chappell (sick leave).

2. Declaration of Interest in Agenda Items

Staff Governors declared an interest in item 4a on the agenda (pay awards) and therefore, they would not participate in the vote.

3. Minutes of the Finance and Pay Meeting held Monday 1st October 2018 Paper: F&P20718(1)

The minutes having been previously circulated were unanimously agreed and signed as a true record.

It was noted that the Risk Register will be discussed in the January Full Governors' meeting.

With regards to the cleaning of the new block, it has been agreed at two nights per week and this will be reviewed shortly as the contract is up for renewal.

In response to a question from Mr Ray, Mrs Rae explained the context of the budget and the discussions in the last meeting. **Action: Miss McMann to send the budget papers from the last meeting to Mr Ray as per his request.**

4. Matters Arising

(a) Pay Awards: Mrs Gravett reported on the meeting held to look at sample appraisals. She reported that the appraisal process in place is excellent and that the Governors present strongly recommend that they accept the recommendations of Mr Dawson and Mr Buckland to award all pay progressions. It was noted that these are already built into the budget.

A vote was taken:

In favour: 6

Against: 0

Abstentions: 2 (staff Governors unable to vote)

Therefore, the pay awards will be granted. Mrs Armstrong will be notified in time for the November payroll.

6. Review of Management Accounts

Given the continued absence of the Business Manager, Mrs Armstrong has kindly stepped up at a very challenging time (year-end accounts and external audit). Therefore, she has produced a management accounts paper (this was circulated at the meeting) but under the caveat that it is very much in draft form. Both Mrs Rae and Mr Buckland wished it to be noted that Mrs Armstrong is doing a fantastic job in very difficult circumstances. **Action point: Miss McMann to purchase a thank you card to send to Mrs Armstrong on behalf of all the Governors.**

In analysing this sheet, Mrs Rae felt that Mrs Armstrong was comfortable with the income figures but there were some gaps on the expenditure on things like utilities for instance. As there is potential for this situation in the department to be long-term, Mrs Rae voiced her concerns as guidance stipulates that the Chair of Governors has to review the accounts on a monthly basis and the Governing Body as a whole six times a year. Whilst the reporting for this month is acceptable given circumstance, the discussion in future meetings is done on the strength of the accounts. Therefore, Mrs Rae had suggested prior to this meeting that Mr Buckland contact local schools, such as Appleby, to see if they could support in any way. This would be the most cost-effective solution.

Mr Buckland informed the committee that he had done so and was pleased to report that the bursar for Kirkby Stephen School was part-time and available on Fridays, with an excellent reputation. Mrs Rae and the committee felt that this would be an ideal arrangement to support Mrs Armstrong. Mrs Rae concluded the discussion by saying that if for some reason this fell through, to contact her as she may be able to access some resources via schools in Carlisle she works with.

The only question arising from the accounts was the increase in the cleaning budget by £6,000. It was confirmed that this is due to the new building and that this was £2,000 less than originally quoted.

The Governors were informed that should there be anything flagged up on the accounts prior to the next meeting in February, they would be notified by email.

7. Bank Accounts and Cash Flow

As outlined above this information was not available for this meeting. However, Governors were reassured that this is being monitored by Mrs Armstrong. In response to Mr Ray's question it was confirmed that currently there is around £280,000 in cash reserves.

10. Year End Audit

Saint and Co have finished undertaking the year-end audit and Mr Buckland was just in receipt of the Financial Statements and accounts at 4.00pm this afternoon.

Normally, a copy of this would have been sent prior to the meeting and Mr Thompson, on behalf of Saint and Co, would attend this meeting to go through the points on the Audit Management Report. However, due to the circumstance surrounding this audit it has not been possible and so it was proposed that this committee hold a special meeting with a single item agenda as this needs to be approved and then ratified at the Full Governors meeting on 13th December in order for the accounts to be submitted to the EFSA by the 31st December. As this will be a busy term with limited dates available, it will be a case of going with the majority of Governors available, though a quorate of four is required. **Action: Miss McMann to check the school calendar and Mrs Rae the availability of the auditor so that possible dates can be circulated and a meeting arranged.**

It was decided to circulate the audit management report to Governors and briefly go through the contents ahead of the extra meeting. Mrs Rae gave an overview of the ratings system and EFSA expectations, particularly for the benefit of the new Governors.

There was one high item on the report, CIF Documentation. The CIF process was explained for context to the new Governors. Mrs Rae said she would approach this by having a conversation with Mr Thompson pointing out that the school was advised on all actions it took by E3Cube and that the EFSA had received a full breakdown of costs and signed off the 2016/17 bids. Mr Buckland reported that he and E3Cube had written to the auditor outlining the situation with the EFSA but he was unsure if she had read it.

Mr Ray stated he felt it important to be honest with the EFSA and go to them first and that in fact the points stated under the CIF documentation could be split into two as both points were not high. Mr Dawson asked that if that were to happen would it reduce the rating from 'high' to 'medium'. Mrs Rae answered not as it is a regularity issue but it should have been in last year's report which has now been signed off.

Mrs Rae said it may be the case that the £42,220 used from the 2016/17 funding for the application process of the mobiles bid may have to be paid back. If this happened she felt a strongly worded letter should be sent to E3Cube asking them to make a contribution to this, as the school acted upon their advice. **It was concluded that they would wait to see if the audit manager responded to Mr Buckland's email but it was agreed that there is still discussion to be had over this and Mrs Rae will speak to Mr Thompson and provide the context on the CIF bids. If necessary, the EFSA will be contacted for advice over what seems to be a misunderstanding.**

Other points from the report which Mrs Rae felt she would query were as follows:

- Personnel files missing pay rises: it was confirmed that the school holds a list of all pay rises which Mrs Rae deemed as acceptable.
- Tendering procedures: Mr Dawson confirmed that three quotes were obtained for the mini bus but they were not like-for-like. He still has these to produce as evidence.

- Website: Miss McMann apologised that she had replaced the attendance data for this year with last years' but will put it back on and also add details of Governors that have resigned in the past year. This will be done immediately and hopefully this point can be removed.
- Appendix C shows points that were on the report last year also.

The only comment from this overview was that it would be sensible to increase the limit to £85,000 for deposit accounts as per the FSCS Deposit Guarantee Scheme.

Action: Miss McMann to add to Full Governors' agenda for ratification

Mrs Rae felt overall that a lot of the points could be discussed further as there appears to be a context to several of them which has not been explored and Mr Buckland informed the Governors that the auditor was not present for the full two days of the second week.

A second document, Adjusting Journals, was circulated. Mrs Rae drew the Governors attention to page 3 detailing the unadjusted errors and went through each one. With the exception of the CIF money, she felt that all else were below her trivial figure. It was re-emphasised about the importance of conversing over the CIF element as the accounts are published on the school's website and would not want to damage the school's reputation. Mr Buckland reported that the EFSA want to use the new mobile build as an exemplar of good practice.

11. Maintenance Report

Again there is no paper for this meeting but any issues will be reported.

12. CIF

It was reported that the mobiles project is now finished. There was nothing further to add as this had been covered in detail during item 10 already.

13. Headteacher's Update

Mr Buckland had the following updates:

- The new block is due to open on 12th December at 6pm. All Governors are welcome to attend.
- Attended the ASCL conference and there is a recommendation that schools budget for a minimum of a 2% pay-rise next year which will have a significant impact on finances. Funding for KS4 is to go up by £200 per pupil for the year 2019/20 (increase from £4,600 to £4,800 per pupil). Sixth Form funding has dropped 22% in ten years and thus unions are calling for an increase from £400 per pupil to £760.

Date of the next meeting: Monday 25th February 2019, 6pm

The meeting closed at 7.15pm