

QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

Minutes of a meeting of the Governors' Finance and Pay Sub-Committee held on 28th September 2020 at 5.30pm held via Zoom.

Present: Mr P Buckland Miss R McMann (Clerk)
Mr Airey Mr R Dawson
Mrs T Boving-Foster Mrs J Scott
Mr G Miller Mrs K Rae
Mr M Worrall
Mr J Ray Dr E Mawson

Quorum per Terms of Reference - 4 Governors

Governors present: 7

Visitors: none

Mrs Rae welcomed all to the meeting, explaining that this was primarily to discuss and approve the budget and also ratify pay progressions.

1. Apologies for absence

Apologies were accepted for Mr Shephard (work commitment)

2. Declaration of Interest in Agenda Items

There were no declarations of interest.

3. Minutes from the Finance Meeting held in June 2020

The minutes were unanimously agreed to be a true record. **Due to Covid and meetings being held virtually, Miss McMann explained that Mrs Boving-Foster was signing the minutes when she is in school for a meeting. These will also be covered in the Full Governing Body meeting.**

4. Management Accounts to 31st July 2020

As this was Mrs Scott's first time presenting the management accounts she explained the format, which is in four sections:

1. Cash flow
2. Summary
3. QEGS MA sheet (a more detailed breakdown and this is how they will be presented going forward).
4. Income / Expenditure produced from SAGE.

Overall, Mrs Scott reported that the figures had not changed much but was pleased to report a reduced deficit of £40,000 against the £46,000 that was estimated. She added

that she was putting together the August (year-end accounts) which in response to Mrs Rae's question, she hoped would be ready by the end of the week. With regards to the figures Mrs Rae queried that as per the July accounts the loss is recorded at approximately £90,000 and therefore is it the case that the school will effectively gain £50,000 in one month? Mrs Scott confirmed that this is the case.

Mrs Rae asked for clarification that Saint and Co would be preparing this years' statutory accounts but that Mrs Scott would be doing the year-end. This was confirmed and that it was in line with the tender document. Additionally, Mrs Rae queried if the auditors had asked to speak to any Governors. Mrs Scott explained that she was due to speak to them tomorrow. **Action point: it was agreed that Mrs Scott would let Mrs Rae know the final cost.**

There was a short discussion around the information that Dr Jenkins, SEND Governor, would like and how much detail Governors needed generally. Mrs Scott advised that everything that was legally required was produced but would happily present this in a different format and that she would speak with Dr Jenkins when she was next in school. Mrs Rae was on board with this but emphasised that when producing documents for Governors they had to be time efficient and thought that month actual to budget, year to date, cash flow, balance sheet and a detailed schedule is what Governors need to see.

5. Bank Accounts and Cash Flow

Mrs Scott drew the Governors attention to the outstanding ESH monies which have not been paid out, nor has the money been requested as there is still a snagging list to do. She also reported that the majority of the Wolfson Fund money has gone out, with about £2,000 left to spend. The first round of the catch-up fund is expected tomorrow which is approximately £14,000 in value. Mrs Rae asked if the ESH retention would be held until the snagging is resolved and Mrs Scott confirmed that this is the case.

Mrs Scott talked through the amounts held in each account – these amounts are after September salaries have gone out.

The committee unanimously agreed that they were satisfied with the monies held in each of the bank accounts and that no monies need be transferred.

6. Health and Safety Policy

Mrs Scott explained that this policy has been updated to reflect name changes and titles as opposed to the content. Questions and comments were invited:

- *Are staff who have had tasks allocated to them within the policy aware of and consented to them (PA)?* Heads of Departments are responsible of their areas and are made aware – the policy is shared and is also presented to the Health and Safety Committee before it comes to Governors (PB).
- *Are the Covid regulations documented separately (KR)?* Yes this is contained within a different risk assessment and that is a live document (PB).
- *Attending Health and Safety Committee meetings (GM).*

A vote was taken and it was unanimously agreed to adopt the policy with no changes.

Mrs Boving-Foster initiated a short discussion around the annual Health and Safety report and when that could fit into the Finance meeting schedule and additionally, whilst not pushing it immediately, that there should be an external health and safety review during this academic year. She added that a safeguarding external audit is also overdue and that the school would have to find the money to ensure this happens but emphasised that this is not a criticism of the school. Mr Buckland said that he is moving forward on this with Mrs Scott and Mr Miller, and is looking for prices for the Health and Safety audit. Mrs Rae suggested that a backstop date of March 31st for the Health and Safety audit at least. Mr Worrall added that he too would like a similar deadline for completion of the Safeguarding audit. Mr Miller said as an interim measure he would do a deep health and safety review based on the policy and also offered to conduct the audit should finances be an issue. Mrs Rae thanked Mr Miller for his kind offer and said that he may well be taken up on it.

It was agreed that both these audits be completed by 31st March 2021 under the caveat that all is well, particularly in relation to Covid.

7. Maintenance

Mrs Scott reported that time had been spent over the summer break catching up as per the previously circulated list. She added that there was still a long list of jobs and one of her priorities was to have a system in place to log jobs and prioritise them. Mrs Rae queried if there was anything major on the list that could potentially alter the budget? Mrs Scott answered that there are some big areas:

- Roofs – carry out a roof audit
- Trees of concern though this should be sorted over half-term and there is a tree audit in the budget
- Sixth Form is damp in some areas
- Not enough toilets.

8. Headteacher's Report

The only point Mr Buckland wished to raise was to seek ratification from Governors to approval the statutory 2.75% pay increase for teaching staff, which is included in the budget. This was unanimously agreed.

9. Financial Academies Handbook Update

Mrs Rae gave an overview of the key changes to the committee. One of the biggest areas to highlight is the increasing responsibility of Governors in reporting the business as a going concern. It is the responsibility of Governors to look at evidence and make an assessment. The evidence for this is the management accounts, projections beyond 12 months, cash flow, positive reserves and challenging where

necessary. Mr Airey suggested that going forward in every Finance meeting it should be formally noted that the Governors are in agreement that the school can go forward as a going concern. Mrs Rae agreed with this but said that the committee needs to see projections for at least 18 months and thus, this will start in the next meeting.

Another key point is the EFSA have stated that members should not be employees (currently Mr Buckland is listed as a member). Mrs Boving-Foster reported that a Members Meeting is scheduled directly after the Full Governors' Meeting on 15th October and will be addressing this. She added that it is best practice, as opposed to law, that Members are not Governors / Trustees and this will also be rectified though there will be a transition period. Mrs Rae welcomed this and asked that the minutes from this meeting be completely separate to the Full Governors' meeting. Miss McMann confirmed this would be the case and a separate agenda and set of papers has already been distributed.

As an extension to the above, Mrs Boving-Foster outlined that she would also like to look at the Articles of Association and streamline the language surrounding Governors and Trustees. Mr Worrall has been looking at this and added that the current Articles are way out of date – the latest model he can find from the DfE is 2017 and there is also guidance on the NGA. He flagged up that a bit of money may be needed in order to complete this successfully as external help will likely be required to make sure the school does not slip up. The Articles must go to the EFSA for approval before they can be formally adopted.

With regards to internal scrutiny it is noted that the external auditor is not allowed to do this and as part of the year-end report it must be reported to the EFSA by 31st December. Mr Ray will be undertaking the internal review this term.

On the subject of whistle blowing, there should be one trustee dedicated to this. As per the school's policy this is the Chair of Governors. Mrs Boving-Foster was happy with this. **Action point: add this information to the website.**

There must be an established Audit Committee and Risk Management Committee. The terms of reference state that the role of the Audit Committee is delegated to the Finance and Pay sub-committee and it was agreed that the same should be true of the Risk Management Committee. **Action point: Miss McMann to add this into the terms of reference both in the Governor Information Booklet and on the website.**

The final point to note was that should there be a new Chair of Governors a suitability check must be undertaken.

10. Financial Procedures Update for new Business Manager and Covid

Mrs Scott gave an outline to the changes made. As well as changes to staff and titles, she drew the Governors attention to page 4 whereby Mrs Armstrong was authorised to sign off payments up to £1000 as opposed to £100 during Covid and that Mrs Scott in her new role (as she did not commence employment until June) has conducted an independent check on this from March.

Moving forward, Mrs Scott reported that she will be updating the procedure to reflect a new internal HR system, new budgeting tool and also the upgrade to SAGE 200.

Mr Ray queried that as the committee is effectively reviewing this retrospectively, and thus were Governors comfortable with this? Mrs Rae felt that in these unprecedented circumstances that this was ok to do. Covid has meant that the situation in schools has been constantly evolving – the manual has always been in place but certain procedures had to be adapted quickly. Mr Buckland added that this pragmatic approach was the only option school had in order to get things done. Mrs Scott said that her rationale for putting this additional sheet of information in was to be transparent and highlight what measures that were put in place from March – July. The controls were there but they were just extended. Mr Miller suggested that perhaps then this information should be included as an appendix. Mrs Boving-Foster agreed that these measures ensured the school could operate and that going forward perhaps a line of communication could be made with herself and Mrs Rae.

There was one final amendment to ensure that the committee is referred to as the Finance and Pay Committee throughout.

Subject to ensuring that the Finance committee is named correctly throughout and putting the sheet showing the arrangements from March to July 2020 as an appendix (which can be withdrawn or added to as the Covid situation evolves) it was unanimously agreed to adopt the document.

The final question of the meeting was from Mrs Rae to Mr Buckland regarding an update on the CIF situation. Mr Buckland answered that he had submitted answers to their questions and are awaiting their final decision. Unfortunately, there is no timescale attached to this.

The meeting closed at 7.05pm.