

## QUEEN ELIZABETH GRAMMAR SCHOOL, PENRITH

### Minutes of a meeting of the Governors' Finance and Pay Sub-Committee held on 28<sup>th</sup> June 2021 at 5.30pm held via Zoom.

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

Quorum per Terms of Reference - 4 Governors

Governors present: 7

Visitors: none

1. Apologies for absence

Mr Shephard was not present at the meeting.

2. Declaration of Interest in Agenda Items

There were no declarations of interest.

3. Minutes from the meetings held on February 19<sup>th</sup> April 2021

The action point with regards to the benchmarking data (item 9 on previous minutes) is to be carried forward. The issue with the school field will be covered later in the meeting.

The minutes were unanimously approved as a true record and Mrs Boving-Foster will sign these the next time she visits school.

4. Matters Arising

Miss McMann reported that Ms Chambers of the EFSA had been in touch that afternoon asking for an answer with regards to the Articles of Association and Funding Agreement, stating they would like this matter resolved prior to the summer break. Mr Worrall pointed out that the Articles, as they know, are with them in draft form for their approval. With regards to the Funding Agreement, the advice from the NGA is that there is no legal reason why the Funding Agreement needs to be updated in order for the new Articles to be approved. Mr Buckland added that he had spoken to other academy heads and they do not have any knowledge / experience of this and Mrs Rae also offered to see if she could find any further information out. Mrs Boving-Foster said that The Academies Financial Handbook advises that staff members are not trustees and as the Articles are still subject to approval this is worth checking.

**Action point: Mr Worrall said that he would check this, although he believes they are correct.**

6. Management Accounts to 31<sup>st</sup> May 2021

Overall, Mrs Scott was pleased to report that the accounts are looking healthy showing a positive of £31,500 against the break-even prediction. This is owing to the following:

- The school has received two tranches of Covid testing money, amounting to £25,000.
- Three years worth of gift-aid has been claimed back, totalling £6,500

With regards to expenditure, this is also very positive with big savings made on exam invigilators and supply costs. The premises budget will all be spent by the year-end and more detail will be given under the maintenance report. The Governors were pleased with such a positive report and there were no questions or comments.

7. Bank Accounts and Cash Flow

Mrs Scott reported that there is little change since the last meeting: the accounts are secure and there are no issues with cash flow. However, she said that there are going to be some decisions required on some of the bank accounts:

- Natwest: £52,000 not covered by the scheme so looking to move this into another account
- Investech are closing in September so need to move this money into another account.

Mrs Scott added that it has not been an easy process to look into opening a new account. She listed various banks that she had tried to open a savings account, and had no success with (Cumberland Building Society, Yorkshire Building Society and Yorkshire Bank). However, Penrith Building Society were happy for the school to open a savings account and this is protected by the compensation scheme but the amount to be moved is £103,000 versus the £85,000 the compensation scheme covers. Governors were invited to discuss this and present any alternative ideas they may have:

- Although the scheme only covers £85,000, there is little risk with commercial banks and thus, it is a manageable risk to put around £100,000 into an account and monitor it at each meeting, as is the process already in place (KR).
- In response to a question from Mrs Rae about the frequency of online banking, Mrs Scott answered that in the year she has been with QEGS, she has done it once.
- Could there be any online banking groups that would help and are covered by the compensation scheme (PA)?
- Like the idea of using a local bank (PB).
- Could an account at the Penrith Building Society be opened as an interim measure and be reviewed in 6 months' time (JR)?

- Feel it is quite straightforward and open an account at Penrith Building Society, supporting a local business.

**The discussion drew to a close and Mrs Rae proposed that the monies from the accounts listed above (totalling £103,000) be put into a savings account at the Penrith Building Society on the condition that this is reviewed in 6 months' time. The Governors unanimously agreed to adopt the proposal.**

**The Governors unanimously confirmed that they were happy with the amounts held in each account.**

With regards to cash flow, Mrs Scott made Governors aware that there is £16,000 of retention money for Esh Construction which has yet to be paid back over a dispute, as they have left the grounds where they have worked in an un-useable state. The school is looking to do something with this, such as a long strip of wildflowers but Mrs Scott wanted to make Governors aware. In response to Mrs Rae's question, it would cost far more than the £16,000 to put the pitch back to the quality it was and so looking to use the ground in a different way. What is frustrating about this situation is that Esh have been notified of all defects throughout the process via a snagging list but they are arguing that the school had verbally signed off the work and it is now outside the 12 month scope. There is nothing in writing and at the time they say Mr Buckland verbally signed the project off he was not in school. Mrs Rae said that there if is nothing in writing that they are not off the hook. There was a discussion about how to proceed next with various ideas such as using a legal framework, which had a mixed reaction, and to keep the £16,000 and do the snagging works. Mrs Scott said she is chasing them and they are communicating that they are looking into this. Mrs Rae said that the school must demonstrate value for money and felt that the £16,000 should be held back until resolved. **It was concluded that as Esh are still engaging, they obviously feel some sense of obligation, so to keep going and see how things progress before any further action / decisions are taken and also ensure that all correspondence is reviewed.**

#### 8. Maintenance Report

Mrs Scott reported that there is an ambitious work schedule for the summer break and highlighted the three largest pieces of work:

- Fixing the damp in the history and art department
- Re-roof the pavilion
- Open up boundary wall.

The money to fund this will be from last years devolved capital monies (£20,000).

Additionally, the drainage in the Sixth Form is to repair and this will cost around £3,000 and this will come out of the main budget.

#### 9. Cycle to Work Scheme

Mrs Scott updated Governors that there have been nine expressions of interest since the scheme launched in school and 3 have picked bikes out.

## 10. Printers and Photocopiers

Mr Dawson shared his screen in order to give a PowerPoint presentation to supplement the previously circulated quotes. This is attached as appendix 1. The preferred supplier, Altodigital is cheaper (£7,028 versus £11,616).

Questions and comments were as follows:

- *How long is the contract for and will it reduce the number of prints (PA)?* Contract is five years. It should reduce the number of prints as students have to select the printer they wish to use and then swipe their card once they get to the printer before it will print. If there are any documents still queuing at the end of each day, anything in the queue is removed (RD).
- *Is there a real need for desktop printers (KR)?* Due to the nature of the buildings it is necessary to have them in some areas. Have been through this with a fine toothcomb and have made economies on two or three machines (RD)
- *Given the length of the contract and the timeframe of the proposed iPad system, is five years too long to take out a contract for (TBF)?* It will be at least four years until the iPad system is embedded and also it has the 'airprint' facility. In the next review, there will be potential to scale back even more (RD).

**A vote was taken and the Governors unanimously agreed to go with the school's recommendation of Altodigital.**

## 11. Internal Audit

Mr Ray reported that he used the same scope as he did on the previous audit and was pleased to report that it was a clean result with nothing substantive. The biggest thing to do was to update and tidy up the Financial Procedures Manual (next item). He acknowledged the sterling job that the Finance team do. Mr Ray said that it was his intention to stress test the updated manual on his next audit.

There were no questions from Governors. Mrs Rae concluded this item by saying that the EFSA are putting more reliance on these internal audits.

## 12. Financial Procedures Manual

Mrs Scott led on this item, saying this has been a huge piece of work and highlighted the main changes as follows:

- The Business Manager is now able to sign purchase orders and payment up to a value of £1,000
- Three quotes have to be sought for expenditure over £5,000 and not £1,000 however this is only for site related expenditure
- Contracts being rolled over no longer require Governor approval
- Expenditure that relates to monies received from a successful grant application, for example Wolfson does not need Governor approval.

Mrs Scott reassured Governors that despite the changes in approval, she will always inform them of what is going on – the intention is simply to take away some of the paperwork and pressure. She added that other changes to the document are housekeeping and updating systems such as cashless catering. At the very latest this manual will be reviewed in June 2023. Questions and comments were invited:

- *For your own protection, ensure that someone else is involved in purchase order system (KR).* All purchase orders go to Paul in a payments run and also Janet and Jeanette are copied into emails so feel it is a robust system (JS).
- *How do you manage your own expenses (KR)?* This goes to Mr Buckland so that there is a separation of duties (JS)
- *There is a gap on page 14, point 9.3 and also have the levels been checked with the auditor (TBF)?* Will address the gap. With regards to the auditor, have checked and she is happy with them, saying they are perhaps still a little conservative but this is a good starting point (JS).

**There was a discussion as to whether this should be approved this evening as some Governors felt they had not enough time to look at the detail, nor would they have enough time prior to the Full Governors' meeting on 8<sup>th</sup> July. Additionally, Mr Ray wished to stress test this when he conducts his next audit in August. Thus, it was unanimously agreed to approve the uplift on purchase orders to £1,000 in the interim and the manual will be put on the agenda for the first Finance meeting in September.**

10. Headteacher's Update

Mr Buckland had no further updates. A full report will be sent to all Governors ahead of the meeting on 8<sup>th</sup> July.

Mrs Boving-Foster highlighted that she believed the budget for next year needs to be approved by the end of July in line with the Academies Financial Handbook. Mrs Scott said that she will have the budget ready for Full Governors' on 8<sup>th</sup> July and hope to have it ready for circulation by Friday 2<sup>nd</sup> July.

The next meeting date is to be confirmed.

The meeting closed at 7.05pm.