

**Uttoxeter Learning Trust  
Finance & Audit Committee**

Minutes of a meeting of the Finance & Audit Committee  
held remotely (via Microsoft teams) on Wednesday, 1<sup>st</sup> December 2021 at 5.30pm.

**Present:**

Mr L Trigg (chair), Mrs V Bennett, Mr S Harper, Mr S Slater.

**In attendance**

Dr S Clark – Chief Executive Officer (CEO)

Mr A Storer – Chief Finance Officer (CFO)

Mrs F Stagg – Entrust Clerk

**285. Apologies for Absence**

There were no apologies for absence and the meeting was quorate.

**286. External Audit presentation from Mazars on draft report**

Mr V Thakrar presented the draft Audit Report findings which Trustees had received prior to the meeting and confirmed that they had read. Mr Thakrar explained that there were two outstanding items namely internal scrutiny report and the CIF audit findings. These were in hand. He brought the following key pages to Trustees particular attention and discussion took place;

The approach to the audit – the methodology and the range of items covered.

Internal Control recommendations – report of an error in payment processes was classed as high risk.

Cashflow audit has taken place.

A potential inappropriate claim of £4k at Ryecroft (monies the school were potentially not entitled to claim) – there is a potential claw back. This is to be **monitored**.

There are 3 unadjusted amounts relating to Covid Catch up funds.

There has been some double counting and this has been extrapolated to a worse-case scenario across the Trust total £49k.

Capitalised sums below de minimis again extrapolated to £11k across the Trust.

**Summary**

Clean audit with no modifications.

**Resolved** – recommend to Trust Board for approval.

**Statutory Accounts**

A carry forward of just over £2m, increase of £350k from previous year. This was considered to be a healthy balance and it was confirmed that the Trust is a going concern.

Mr Thakrar thanked the central team for their support during the audit process.

Trustees asked for the wording of para. 2 on page 32 to be amended as they wished the phrase ‘that trustees have taken all reasonable steps’ to be added at the relevant sections in the accounts. They

were reminded that the wording was model wording from the ESFA. **ACTION** Mr Thakrar to ascertain if this wording can be changed but noted the Trustees concerns in this regard.

Trustees wished for it to be recorded that they remain concerned about the error by which an incorrect payment was made and sought assurance that processes were in place to mitigate future occurrence. **ACTION** - CFO

### **The Management Representation Letter**

This is a standard letter.

**Resolved** – approval.

### **Annual Report**

The report is to be proof read for consistency and clarity in relation to the operation of the central charge and number of committee meetings – **ACTION** CEO and CFO

**Resolved** – that the annual report be submitted to the Trust Board for approval.

**Resolved** – that the accounts and annual report be signed electronically (if required).

### **287. Declarations of Interest**

Mr A Storer (chief finance officer) – prior to discussions around back office finance support. (See Minute 292)

### **288. Minutes of the Previous Meeting – 06 October 2021**

The minutes of the previous meeting having been previously circulated were taken page by page for accuracy.

**Resolved** - That the minutes be approved.

### **289. Matters Arising**

**Richard Clarke Insurance Issues** – it was confirmed following discussion that the Trust are the landlord of the Tom Thumb Nursery (supporting document – lease information). Trustees were concerned to understand if there were any break clauses in the lease and the CEO and CFO were charged with investigating a termination option to give assurance in case the building was used for purposes outside the terms of any agreement. It was confirmed that the building is covered under the scope of RPA.

**Resolved** – that the lease be agreed in principle subject to break clauses being confirmed.

**Bramshall Meadow** - The draft funding agreement was noted. A discussion took place with regards to potential pupil numbers, leadership and safeguarding (an automated gate is required at a cost of approx. £30k). the CEO is to provide a progress report to the next meeting.

**Service Level Agreements** – 3 quotes have been sought for the provision of Asset Management Planning. Presentations from suitable companies were made to the Headteacher Board and further consideration is underway. The Trustees will be asked to make the final decision at the appropriate time. This is separate to the asset management condition survey.

**Ryecroft/Dove Site** – the current senior leadership structure contains vacancies and the CEO is actively considering this matter. In terms of the building the Trust are trying to undertake the necessary works to windows, heating systems and roofs without incurring additional cost. Funds of approx. £13k may be needed for the external area. The ventilation system needs servicing and this may cost in excess of £50k.

Trustees were reminded that the site is a split between Uttoxeter Learning Trust and Staffordshire University Academy Trust. There is a joint management committee in place which includes reps. from the Dove First School. This committee meets termly and is due to meet before the end of term.

The CEO reported that there is opportunity to clarify the split use through an exchange of buildings and IT equipment. Trustees raised a range of questions relating to the potential exchange including VAT implications, why items not a cash/one off payment and how the project will be audited. Trustees asked for further due diligence on the project in relation to for example the cost of the IT equipment, heating costs and the systems and processes. It was confirmed that the project would not impact on the PAN but that there are opportunities and scope for additional classroom space.

The current MOU needs to be reviewed as it does not currently reflect the actuality.

**Resolved** – that the project be progressed and further reports provided before a final decision is made.

**Redundancy Scheme** – the CEO reported that she has not yet met with the Trade Unions. This is an ongoing action.

It was also reported that Number on Roll across the Trust is being monitored closely.

## 290. Risk Register

An update was given on the current 3 highest risks.

MAT expansion – the CEO provided some contextual background to the need and opportunity to expand the Trust. This includes exploring opportunities with potential partners and opening dialogue has taken place. She outlined a number of potential partners including A SAT, First and Middle Schools. She had met the Local Authority regarding a new build opportunity in Stafford and assured Trustees that connections were being made even though potential might be in the longer term.

Systems and Processes – see Item 292.

Succession Planning – there are a number of gaps in the leadership structure at Thomas Alleyne's with deputies required to strengthen capacity. There are governance vacancies at both Member and Trustee level and adverts have been placed with some interest shown.

**Resolved** – that the updates on the Risk Register be noted.

## 291. ULT Finance Report

The Draft External Audit Report had been received. ACTION trustees to review for amendments.

P65 of the accounts report highlights the levels of reserves in each academy - noted. It was noted that at 08/21 Hutchinson Memorial was in a deficit budget position and Trustees were assured that steps were in place to return this to a surplus position. A short discussion took place.

- a) Internal Audit - it was reported that there are a few issues which are consistent across the Trust's schools namely; acceptance of Trust policies – a formal process is needed; fixed asset inventories are not up to date (medium risk). The list of issues highlighted during the internal audit was a cause for concern and it was agreed that the committee would look closely at progress made at the next meeting. A further internal audit is to be scheduled in addition specialist one day audits will be commissioned. The meeting was particularly concerned to note that some of the issues highlighted in the report had been raised in previous reports. They were also extremely disappointed to note that very late submission of requested information from one of the Trust's academies and the CFO is working closely with the leadership team to ensure that matters such as payroll reports, inventories and payment of invoices have clear and systemised process. The academy have been informed that this situation could have negatively impacted on the external audit.

- b) Finance report – ACTION CFO to circulate opening balances to Trustees together with cashflow balances when available
- c) Land and Buildings Collection Tool – this was reported as having been completed on time and submitted accordingly. The Trustees thanked the CFO work the work completed.
- d) Public sector apprenticeship target reporting – 3 apprentices have joined the Trust since 01/09 up from nil.

## 292. Central Team/Back Office Services

The CFO's interest in this item was noted.

The CEO shared a recent paper on central services published by the National Governance Association as background. She introduced the item by explaining that;

- There are a number of vacancies across the Trust.
- Currently academies are being encouraged to hold interim positions open until the situation is clarified.
- The internal audit as previously referred to had highlighted a number of areas of inconsistent practice.
- There needs to be a more central view on estates and Health and Safety
- GDPR needs better managing.
- It is more efficient to have a trust wide approach and SLA as this could be a potential cost saving.
- A range of providers for the support the Trust needs are being investigated.
- Capacity is not evenly distributed in terms of need, experience and skills across the Trust.
- The MAT Summary Evaluation Process requires a more in depth understanding of the functions of the Trust which together with Academy Trust Handbook means that a greater understanding of what holding to account looks like in practice is needed.
- Support and capacity for the due diligence process as the Trust expands is needed.
- As Accounting Officer it was critical that the CEO had better intelligence about what is happening across the Trust in terms of the central services and offer. It was considered important not to rely solely on external advice and advisors.
- Understanding the issues around academies having local autonomy.

The CEO reported that there are 3 options

1. Do nothing
2. Expand existing SLA
3. Develop new systems and processes around a larger central team.

Approval was sought to develop the project.

Trustees agreed that the time was right to develop the project around the functions needed to operate the Trust and accepted that there was an element of risk but that not undertaking the project could potentially be a greater risk and cited the H&S issues as an example.

**Resolved – that the CEO develop a report to be submitted to the Trust Board outlining context for the project, an action plan, priorities, timescale.**

## 293. All Saints Building

All Saints Building is a Listed Building which added a layer of complexity to the decision making process. SH was thanked for undertaking a recent visit and for the report written. There is a known issue with damp. The latest CIF project for submission identified a cost of £260 K for a roof replacement. A building condition survey was requested and budget costs of £60 K. Trustees commented that some of the issues identified relate to maintenance. Trustees were also keen to understand whether the surveyor was experienced with Listed and Historic Buildings as some of

recommendations such as raising the ground level would in fact be detrimental. Trustees considered that a sum of £60k was a more reasonable level of outlay.

## **ACTIONS**

- a) repair works are identified for priority need as a matter of urgency e.g. flashing around the chimney
- b) qualified specialist advice is sought on specific items as appropriate.
- c) some of the work to be funded from reserves if it supports CIF bids (heating)
- d) determine a payback scheme

**Resolved - the project be recommended to the Trust Board for approval.**

### **294. Safeguarding**

As a result of recent safeguarding related audits undertaken following Ofsted inspections in the Trust's school it was reported that training on the Single Central Record be provided. An update is to be provided to the next Trust Board.

LFT testing in January 2022 – plans are being developed.

### **295. Policies**

#### **Fixed Assets**

There have been no substantial changes to the policy in the light of the external audit; a cap on equipment for example is to be considered.

**Resolved** – that the Fixed Asset Policy be approved.

#### **Pay Policy**

The support staff pay award had not at the time of the meeting been agreed by the Trade Unions and it is the considered view of the Local Authority and the Trust's HR providers that without collective agreement pay awards cannot be agreed.

The CEO is working to strengthen the policy around leadership pay scale and the role of the LGBs to ensure that there is consistency across the Trust and that there is no divergence from the agreed policy. The CEO will maintain the overview – trustees were concerned that the policy might not enable this – and this links closely to the work being undertaken on the Central Team services.

**Resolved** – that the Pay Policy as presented was approved; and is to be recommended to the Trust Board.

### **296. AOB**

Mr Les Trigg was thanked by the other members of the committee for all his support, hard work, insights and expertise as this was his last meeting.

### **291.**

#### **Date of Next Meeting:**

It was agreed that the next meeting of the Finance and Audit committee would be held on Wednesday, 26<sup>th</sup> January 2022 at 5.30pm. The venue for the meeting, if not held remotely, would be agreed nearer the date.

Signed.....Mrs. Bennett (PP P. Davies – Clerk)

Date.....26.01.22.....