

# Uttoxeter Learning Trust (ULT)

## Minutes of the Meeting of the Finance and Audit Committee held at Thomas Alleyne's High School on Thursday 1 December, 2022 at 5.30 p.m.

**Present:** Mr. Pearce (Chair), Dr. Clark (CEO), Mr. Slater, Mr. Haswell, Mr. Harper

**In attendance:** Mr. Davies (Clerk to the Trust Board)  
Mr. Storer (CFO)  
Miss. Atkins (Audit Manager – Mazars)  
Mr. Thakrar (Audit Manager – Mazars)

### 1 Welcome:

Trustees were welcomed to tonight's meeting by the Chair. Tonight's meeting had two specific strategic purposes in addition to the standard agenda items – feedback on the external audit that is currently underway with Mazars and consideration of requests to use reserves for CIF Bids and a number of investment projects. Documentation had been uploaded to Governor Hub in preparation for tonight's meeting and a number of Trustees (including the Mazars representatives) joined the meeting remotely. In keeping with the Trustee remit, there were a number of challenge-based questions and points of clarification that were put forward during the meeting as a robust level of due diligence was applied in relation to the shared documentation.

The meeting was quorate.

### 2 Apologies:

There were no apologies on this occasion.

### 3 External Audit Update:

The first part of the meeting focused on a verbal update from the two Audit Managers from Mazars as they discussed both the Draft Financial Statements for the year ended 31.08.22 and the Audit Completion Report. Both of these documents had been shared with Trustees in advance of tonight's meeting.

In terms of any specific points made:

#### **Audit Completion Report**

##### 1.1

Trustees were informed that the audit in respect of the financial statements for the year ended 31 August 2022 has been completed. Using a RAG system, Mazars had indicated to the CFO the areas (RED) that were likely to result in material adjustment or significant change to disclosures within the financial statements – i.e. third-party land and valuations for Bramshall Meadows First School/The Richard Clarke First School and the Salix and CIF loan analysis and £400K CIF loan repayment schedule. The CFO confirmed the subsequent action he had taken in both of these areas in terms of additional documentation he will be sharing with Mazars.

## 1.2

The second section of the Audit Completion Report related to '*Significant Findings*' arising from the audit. There was no material content in this section for Trustees to be concerned about other than a few minor points for the CFO to note and address.

## 1.3

The next section on '*Internal Controls*' was again talked through with Trustees. It was reported that across the board, the Auditor's view is that there are no Level 1 or Level 2 deficiencies in internal control that have been identified through the auditing process. The only reported issues that do exist relate to Level 3 – i.e. a couple of areas where it is the Auditor's view that internal control should be strengthened when practicable to do so. The CFO noted the feedback and will have further discussions with Mazars regarding this Level 3 feedback.

## 1.4

The section on '*Misstatements*' was noted by Trustees. There seems to have been some confusion around an adjusted misstatement that was detailed in the Report and which was discussed at the pre-audit meeting. Before the final documentation is signed, it was agreed the CFO and Mazars would have a further discussion on this point to resolve any outstanding matters.

## 1.5

The remainder of the Report contained a series of appendices which Trustees can take in at their leisure. Worth noting for the minutes is text from Appendix B – Independent auditor's report to the members of Uttoxeter Learning Trust:

In our opinion, the financial statements:

- give a true and fair view of the state of the Uttoxeter Learning Trust's affairs at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

Trustees felt this narrative reflects a positive audit outcome with just some final points for the CFO to address with Mazars directly before the final documentation is circulated for ratification.

## **Draft Financial Statements**

### 2.1

It was somewhat challenging for Trustees to offer any comment on the draft financial statements as they had been received shortly before tonight's meeting. A couple of headline points were shared (i.e. increase in net assets; positive revenue reserves held by ULT schools; strong and robust financial management and control of individual school budgets; opportunities for reinvestment of reserves back into ULT schools, etc.) with Trustees reassured that they would have the time to consider these statements in full prior to the documentation being formally ratified.

### 2.2

**Trustee Challenge:** The Chair of the Trust Board asked that when the external audit recommendations are ratified by the Trust Board and he is given the authority to sign the financial documentation on behalf of Trustees, the word 'reasonably' needs to be added to any declaration that is made. This addition will reflect the fact that the Chair and Trustees can

be 'reasonably sure' that all of the necessary statutory requirements are being met in relation to the ULT accounts through the auditing process, the level of due diligence that has been applied by key internal/external stakeholders and the robustness of the financial documentation that has been circulated.

The Audit Managers acknowledged this point and will tweak any correspondence accordingly.

### **Audit Completion**

#### **3.1**

There was a general discussion around timescales at this point in the meeting. The CFO and Mazars will communicate with each other outside of tonight's meeting to resolve any final issues before the final documentation is circulated for formal ratification by the Trust Board early next week.

**Resolved:** That the final draft of the financial documentation be circulated once it is available.

Once the documentation has been formally ratified, various signatures will need to be added before the accounts are submitted to the ESFA by the end of December deadline. It was confirmed that the ULT remains on track to meet the deadlines which apply to all academies across the educational sector.

### **Formal Thanks**

#### **4.1**

The Chair thanked the two Audit Managers for their verbal update at tonight's meeting. It was clear what needs to be done and the CFO will now work with Mazars to complete this external audit process.

Both Miss. Atkins and Mr. Thakrar gave their leave of absence at this point from the meeting.

### **4      Declarations of Interest:**

Mr. Storer declared the following interest in respect of the following items on tonight's agenda:

- Central Team
- Policies (specifically Pay Policy).

### **5      Minutes of the Previous Meeting:**

**Resolved:** That the Minutes of the Finance and Audit Committee held on Wednesday 5 October, 2022 (including Confidential Appendix) be approved as an accurate and true record.

**Resolved:** That the Minutes, Agenda and all reports and other papers considered at the meeting be made available for inspection if required.

The Clerk will sign and date the ratified minutes on behalf of the Vice-Chair. This task is important to ensure the PA to the CEO can ensure there is an electronic copy of historical minutes, retained for future reference and audit purposes.

### **6      Matters Arising:**

The CEO confirmed that all actions listed in the matrix have either been progressed/closed down or will be referenced during the course of tonight's meeting.

Trustees were also reminded that in future the plan is to add deadlines to any listed actions so there can be greater transparency around when key strategic tasks are completed. The Clerk and CEO have this matter in hand.

## **7 Risk Register:**

The Risk Register is a standing item that is discussed at every meeting. The CEO was invited to share any overarching updates in relation to the Register.

### **1.1**

It was felt that the appointment of a full-time CFO and full-time Estates and Health and Safety Lead will mitigate some of the capacity concerns around the Central Team in the short to mid-term. It was confirmed that the Register has been updated to reflect these appointments.

### **1.2**

The CEO confirmed with Trustees that maintaining sustainable budgets (Risk 2) year on year is still a concern for the ULT, particularly given some of the variables currently at play – i.e. not all schools full; retention in Post 16 is below target; unexpected costs this Autumn; changes in the National Funding Formulae; actions of local competitor (JCB) and any implications from the Harper Trust v Brazel ruling.

The one saving grace could be the additional funding that is set to come through from central government to ease the inflationary pressures all of society is facing at the present time. It was confirmed that this extra funding will take the form of additional capital funding which can be spent on improving a school's energy efficiency or other capital-based projects although more detail around this funding is needed.

### **1.3**

The implications that could arise for the Trust from a local competitor, JCB, increasing its admissions for Year 9 and Year 13 pupils were discussed by Trustees. It was confirmed that the Chair of the Trust Board would be responding to the formal consultation prior to Xmas with this risk appropriately captured in the Register.

### **1.4**

Trustees were informed that various teacher unions are mobilising in support of strike action and a better deal for England's teachers. This update has been captured in the Register with more information to be shared with all Trustees at next week's Trust Board meeting.

### **1.5**

The CEO confirmed that in relation to Risk 6 (IT/Cybersecurity) this area of the Register has seen a positive development with the return to work of the IT Network Manager after a period of prolonged absence. Whilst Trustees were pleased to hear that the member of staff was on a phased return, there was a more general discussion around the future provision of IT support within the Trust – not just the day-to-day maintenance input but also the leadership approach to IT which is going to be crucial to the ULT as the Central Team and family of schools grows.

It was confirmed that this area will definitely be a point of discussion when Trustees come together for their strategic away day in the New Year. For now, the return of the IT Network Manager and continued support from MSPs will enable the Trust to function in the short to medium term.

Trustees thanked the CEO for her insightful observations and commentary in relation to the Risk Register.

## 8 CIF Bids and Additional Funding Requests:

This was the point in the meeting when Trustees were asked to consider two main items – firstly, the recommendations from Surveyors to Education for the Trust to proceed with a number of CIF Bids for 2023-24 and secondly, to consider two requests by schools for the use of revenue reserves for specific purposes.

For minute purposes, it is important to note that the whole governance process around CIF has been tightened by the ULT. Not only are Surveyors to Education supporting schools directly with their CIF Bid proposals but schools are also being asked to submit these proposals to the CFO by a given date to ensure the necessary due diligence can be applied by Trustees through this particular committee.

### 1.1

In terms of CIF Bids, although the associated paperwork contained the necessary detail, Trustees were essentially presented with the following proposals:

- All Saints C E First School – Damp Remediation Works.
- Picknalls First School – Electrics
- The Richard Clarke First School – Boilers
- Oldfield Hall Middle School – Roof and Fire/Electrics
- Thomas Alleyne’s High School – Boundary Walls.

The CFO spent some time outlining the individual focus of each bid and what discussions had taken place with the individual schools to get to this point. In some cases (Oldfield Hall Middle School) a significant amount of due diligence has played out given two proposals were being put forward. There was also confirmation that Windsor Park Middle School had decided not to progress with its CIF Bid around fire compliance given the lack of revenue reserves to support such an application.

**Trustee Challenge:** From a Trustee perspective, they were fully aware that as long as individual school budgets could support the expected financial outlay, there was no reason not to proceed with the referenced bids. As one Trustee pointed out, the remedial work would be needed at some point in the future so getting the projects completed at a significantly reduced cost for individual schools made perfect sense. There was quite a lot of discussion around whether individual schools should increase their funding contribution to make the bids even more appealing and have every chance of being successful. Trustees also welcomed the increased role of Surveyors to Education in the process who it was felt has a real handle on what makes a successful CIF Bid with some original proposals having been rejected because it was not felt they would stand up to the external scrutiny that would be applied. Finally, Trustees felt that in future it would be useful to have some kind of table that would lay out the key financial indicators in relation to each CIF Bid – i.e. Trust contribution; school contribution; state of revenue reserves; overall financial health of a school, etc. Trustees felt this information in a summary form was vital to streamline the decision-making process around the CIF Bids.

**Resolved:** That Trustees approve the listed CIF Bids on the proviso that the CFO will follow up with individual schools whether the financial contribution from their Budget can be increased.

**Resolved:** That the CFO reflect on the feedback in relation to the future presentation of information linked to CIF Bids.

### 1.2

The CFO confirmed that Picknalls First School had put in a request to draw down a significant proportion of its revenue reserves to fund a series of investment projects.

Trustees did not feel that the proposal provided enough detail for this request to be approved in its current form. It was felt that a more comprehensive business case was needed from the School to fully justify the levels of investment that were being requested including why all projects needed to come out of revenue reserves and in some cases not out of the in-year budget allocation.

**Resolved:** That the CFO provide this feedback to the Headteacher of the School in question.

**Resolved:** That the Finance and Audit Committee revisit this revenue reserves request once a more detailed business case has been provided.

### **1.3**

The CFO confirmed that Ryecroft C E Middle School has made two specific requests to draw down some school-based reserves – the first request linked to a significant IT investment and the second request linked to an investment in PE-related resources and equipment.

Whilst Trustees had no concerns with the PE-related request, they felt that further due diligence did need to be applied to the IT request to ensure it is appropriately future proofed and takes account of a longer-term vision around modernisation of current IT systems and infrastructure – not just at a local level but across the ULT as a whole. It was suggested that a further conversation takes place between Mr. Harper, the IT Network Manager and the Headteacher at Ryecroft on this matter before a final position is agreed.

**Resolved:** That the CFO facilitate this conversation between the named parties.

**Resolved:** That this proposal be brought back to this committee in the New Year once a final position is agreed.

**Resolved:** That Trustees approve the proposal for the School to draw down £21 552 to support the PE-related funding investment.

Trustees thanked the CEO and CFO for all of their hard work in getting the financial proposals together for tonight's meeting. It was clear to all attendees that the process has moved on significantly in the last 12 months with some minor tweaks/modifications now needing to be made to the governance process to streamline processes even further.

## **9 CFO Update:**

The CFO was invited at this point in the meeting to provide any other key financial updates that needed to be drawn to Trustees attention. The following points were noted:

### **1.1 – Internal Audits**

The CFO confirmed that the four outstanding internal audits have now been completed with the resulting reports made available on Governor Hub for Trustees to consider at their leisure. Trustees were informed that there are some general themes that come out across all four audits which are mainly linked to consistency and a tightening of internal procedures. Each report contains a series of actions that will need to be taken forward by the individual school with timescales and lines of accountability clearly identified. Trustees noted the supplied information, feeling that it is the remit of each LGB to ensure all listed actions in the audit reports are suitably progressed. The CFO added that there is nothing in the four audit reports that would impact the external audit that is nearing its conclusion.

### **1.2 – Finance Report**

The CFO confirmed that he and the Chair of this committee will be having a catch up outside of tonight's meeting forum to discuss the best way to share important financial information with members of this committee with a summative report to be generated that will outline all of the

key financial information that Trustees need within a condensed narrative. The CEO will be invited to join these initial discussions

**Resolved:** That this matter be progressed by the end of the Spring Term.

### **1.3 – National Tutoring Programme**

The CFO confirmed that there have been a number of instances where funding linked to the National Tutoring Programme has been reclaimed due to this ring-fenced stream not being spent.

Trustees expressed their disappointment and concern at this news and asked for this matter to be followed up by the CEO.

**Resolved:** That the CEO take account of this action.

### **1.4 – Statutory Return**

The CFO confirmed that the Trust has submitted its return linked to the public sector apprenticeship target. There was no further action required at tonight's meeting.

### **1.5 – Pupil Projections**

The latest pupil projection numbers were shared with Trustees. This Key Performance Indicator (KPI) is of critical importance given the intrinsic link between numbers on roll and a sustainable budget. The numbers in some areas indicate the need for PR/Marketing activity to be ramped up with conversations already taking place with school leaders at a local level where any additional impetus in this area is required. Trustees, having considered the data, can always contact the CEO if they have further questions linked to this shared data set.

### **1.6 – Temporary Leadership Posts**

It was confirmed that the temporary post of Interim Executive Headteacher across Bramshall Meadows First School and All Saints CoE First School will need to be reviewed in the New Year for a 01.09.23 start. This discussion is likely to take place at the Trustee strategic away day when temporary leadership roles will be discussed.

**Resolved:** That the CFO be thanked for his financial update.

## **10 Central Team and Trust Expansion:**

The CEO drew Trustees attention to the sections in the CEO/CFO Report which focused on the development of the Central Team and the future expansion of the Trust.

On the first point, the Trustee strategic away day will be critical to inform the future direction of travel for the ULT. Whilst some initial progress has been made with a number of key appointments, the fact remains that a number of individuals within the current structure (i.e. the CEO) continue to be significantly stretched in particular areas. It was suggested that the narrative as contained within the CEO/CFO Report could be used as a basis for getting discussions underway with Trustees with the planning day to be used as a means of future proofing the capacity of the Trust in the short to mid-term. Trustees confirmed that they will make every effort to attend this event to ensure the necessary strategic intent and due diligence are being secured.

On the subject of expansion, it was confirmed that the Trust continues to build a number of relationships in key areas. The latest position on these network contacts was shared with Trustees with further detail to be found in the accompanying Report.

## 11 Safeguarding:

There was no specific Safeguarding update that needed to be shared at this point in the meeting.

## 12 Documents/Policies:

A series of documents/policies were shared with Trustees for approval at tonight's meeting. They included:

- Scheme of Delegation
- Pay
- Cyber Incidence Response Plan
- TURA
- Exit Questionnaires.

The CEO had indicated in the CEO/CFO Report where key changes had been made to the documents/policies with any updates highlighted in red text.

**Trustee Challenge:** Trustees provided some additional feedback on the Scheme of Delegation feeling that the option should be left open to review the Scheme against the Governance Handbook. There was also a request that a statement is added to the Scheme that indicates the Trust Board has the final overarching authority on governance matters and that a Terms of Reference be sourced for LGBs.

**Resolved:** That the Chair of the Trust Board provide the wording tweak for the Scheme. The Clerk will source a Terms of Reference and share it with the CEO.

**Resolved:** That subject to the points above being addressed, the listed documents/policies be approved by Trustees.

This documentation will now be forwarded to the Trust Board for formal ratification.

**Resolved:** That this information be uploaded to Governor Hub in the relevant folder for the next Trust Board meeting.

Trustees thanked the CEO for all of her due diligence that is exercised in relation to the circulated policies.

## 13 Any Other Business:

There was no additional business on this occasion.

## 14 Confidentiality:

Trustees were asked to identify if there were any items/materials which needed to be excluded from any Agenda, Minutes, reports or other papers discussed at the meeting which would normally be made available for inspection following the meeting.

Trustees were also asked to identify any items included on the Agenda which require recording in a Confidential Appendix to the Minutes.

**Resolved:** That it be identified that no items need to be recorded as a Confidential Appendix to the Minutes.

There were no items/materials identified for exclusion.



**15 Dates and Times of Future Meetings:**

The meeting schedule for 2022-23 has already been confirmed.

The next meeting of the Finance and Audit Committee will take place on Wednesday 8 February, 2023 at 5.30 p.m.

All that was left to do was for the Chair to thank all Trustees for their attendance and contributions to tonight's meeting. The meeting was brought to a close.

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**Chair**

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**Date**

## Uttoxeter Learning Trust (ULT)

**Minutes of the Meeting of the Finance and Audit Committee held at Thomas Alleyne's High School on Thursday 1 December, 2022 at 5.30 p.m.**

### Action Matrix

<b>Minute</b>	<b>Owner</b>	<b>Action Required</b>	<b>Deadline</b>	<b>Action Update</b>
3	CFO	Circulate final draft of documentation linked to external audit.	06.12.22	
5	CEO	Make October minutes available as a public record if required.	NA	
5	Clerk	Sign ratified minutes on behalf of Chair and forward to PA to CEO.	01.12.22	
8	CFO	Discuss with school leaders whether individual school-based contributions for CIF can be increased.	December 2022	
8	CFO	Reflect on feedback in relation to future presentation of information linked to CIF Bids.	Next meeting	
8	CFO	Share feedback with Headteacher at Picknalls First School.	December 2022	
8	Committee	Revisit business case when resubmitted.	Next meeting	
8	CFO	Facilitate conversation with Mr. Harper, IT Network Manager and Headteacher at Ryecroft.	January 2023	
8	Committee	Revisit IT proposal once further due diligence has been applied.	Next meeting	
9	Chair/CFO/CEO	Agree a reporting template for future Finance and Audit Committees.	Next meeting	
9	CEO	Follow up on National Tutoring Programme issue with relevant schools.	Next meeting	
12	Chair – TB	Provide wording tweak for Scheme of Delegation.	06.12.22	
12	Clerk	Source Terms of Reference for LGBs.	10.01.23	
12	Clerk	Upload policies to Governor Hub for ratification by Trust Board.	06.12.22	

**Date of next meeting:** Wednesday 8 February, 2023 at 5.30 p.m.