

Dorset Studio School

Meeting of the Audit & Finance Committee

THURSDAY 07 DECEMBER 2023 AT
2.00pm, at Poundbury

Minutes

The Code of Conduct for Governors requires governors to be honest and open with regard to conflicts of interest (either real or perceived). Governors must not use their position for personal gain in business, political or social relationships. Therefore, a governor who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.

Items marked * are those in which a majority of Governors may have an interest because of some shared attribute. When considering these items, Governors should aim to achieve a balanced view, paying particular attention to the sources of information and advice, and remind themselves of their duties as governors and to act in the public interest.

Governors:	Nicholas Spearing (Chair of Committee); Andy Daw (Chair of Governors); Mark Gibbens; Paul Green (Principal)
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In attendance:	
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Item		Detail	
1.		WELCOME AND INTRODUCTIONS The clerk opened the meeting and welcomed governors and Mark Munro of Bishop Fleming (External Auditor)	Clerk
2.	Verbal	DECLARATIONS OF INTEREST To Note any Declarations of Interest Nothing to declare	Clerk
3.	Verbal	APOLOGIES To Note any apologies for absence The clerk noted there were none	Chair
4.	Paper	TERMS OF REFERENCE FOR THE AUDIT & FINANCE COMMITTEE To agree the Terms of reference for the committee. It was NOTED to update section 3.1 to change to "chair of Audit & Finance Committee" And section 2.10 academy spelling to be corrected.	Chair
4.	Verbal	REAPPOINTMENT OF CHAIR & VICE CHAIR Nicholas Spearing was appointed as the Chair of the committee and Mark Gibbens as Vice Chair	Clerk

5.	Paper	<p>EXTERNAL AUDITORS REPORT FOR THE YEAR ENDING 31 AUGUST 2022</p> <p>Mark Munro of Bishop Fleming (External Auditor) attended online to present the end of year accounts for 2022-23</p> <p>The following documents for the Audit had been circulated prior to the meeting:-</p> <ul style="list-style-type: none"> • Key Facts • Summary • Management Letter <p>Once the accounts are finalised the wording with regards to the merger with Wessex MAT will be completed after the regional director meeting next week as this will be updated to reflect the outcome. This will not impact any other details of the accounts/</p> <p>Q – A governors asked that when the joining of the MAT takes place will the figures be consolidated across the school? A - No, when you join MAT trade and liabilities are transferred to the MAT under the structure. DSS will operate within the MA Ton a basis other than that of going concern. If the MAT is delayed the layout of the accounts would not change. Any Cash Reserves will be transferred over to the MAT after joining.</p> <p>Mark expressed his thanks to Jenni the Finance Officer and Tracey the School Business Manager for the very smooth process. There were very few adjustments and minor management points. Thank you to the team.</p> <p>Surplus reconciliation</p> <p>Reconciliation of the year of management accounts were presented over 12 months. The only journal was the Pension journal which would be expected in the management accounts.</p> <p>Q – A governor asked with regards to the revenue 166k income, what is the £115,171 represent? Capital movement A – Yes it is capital movement.</p> <p>With regards to the LGPS pension it is £87,000, which has reduced due to discount rates in the actuary. The liability is the lowest ever at present.</p> <p>Teachers’ pension scheme actuarial valuation, classified as a community scheme, no liability in the accounts. The rate has increased to 28% from April 2024, to be fully funded.</p> <p>Key Facts</p> <p>Movements in SOFA, revenue activities. Illustrated how the reserves carried forward with the movement in funds, adjusted with LGPs and capital expenditure out of GAG, deficit in year 167k. Reduced carry forward for 2023/24. The reserves policy should have 8 -10% of one month GAG in the reserves policy, auditors are happy to accept these reserves as an appropriate number.</p>	External Auditor / CFO

	<p>Balance sheet Net assets are showing £70k LGPS pension which is a reduction in liability.</p> <p>Q – A governor asked with regards to the in year £167k deficit what it was last year? A – Last year was a £140k surplus.</p> <p>Q – A governor asked if there are any concerns to be aware of within the movement, A – No, credit debtor’s balance has increased but not a reflection of increase of liability so no concerns. The cash flow is at a healthy balance to operate going forward.</p> <p>Q - The Principal asked with regards to the surplus reconciliation figure, it is showing that it has been double counted, will this be corrected?</p> <p>A – yes it is 114599, in year movement as capital movement, It will be updated</p> <p>Financial statements</p> <p>Page 6 – With regards to the going concern, the wording will be updated to reflect the outcome after regional commissioner meeting 13.12.2024.</p> <p>The trustee report is for trustees to agree, any amendments can be incorporated within the report.</p> <p>Q – A governor asked will this be adjusted on the expectation on next week’s outcome A – Yes, adjusting wording to reflect that the outcome.</p> <p>There is a new section in the audit for the trusts estate. It is a new requirement in the AFH and has risks associated with the estate. The risk register shows this has been identified throughout the 2022/23. The auditors confirmed they are happy that these are sufficient</p> <p>The Audit report on page 15 shows the Emphasis of Matter, this would be removed if the MAT application is refused.</p> <p>Page 19, regularity report, nothing was highlighted to say the school is not, which is a regulated unmodified opinion</p> <p>Q – A governor asked that as the cash bank balance is consistent at a high level, should we be moving the funds into a higher interest account? A – the total 8 – 10% reserves to be kept, Gag £2,335,488 income, could move excess cash into a higher account if required.</p> <p>Page 35, staff costs, subsection c and d, rates higher paid staff which are key personnel. Trustee’s remuneration shows executive principal as per AFH.</p> <p>Pension disclosure 45/6 highlights the changes within the pension scheme. 4.2 – 5.3% rate applied to the scheme. Assumptions in line with the actuaries across the sector – London, Hampshire, Devon, Cornwall, West Midlands, Avon, Wiltshire, Dorset.</p> <p>The risks highlighted in the audit plan are, income recognition and management override. Q – A governor asked what does management override mean?</p>	
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6.	Paper	<p>MANAGEMENT REPORTS TO 31 OCTOBER 2023</p> <p>The Finance Officer circulated the report prior to the meeting.</p> <p>The management reports for October are showing a healthy surplus however looking forward to November 2023 this will reduce due to the back pay for support and teaching staff. Support staff have now received the pay increases which were backdated from April 2023, which has an impact on the surplus.</p> <p>The adopted budget has been reviewed to impact on the additional costs, leaving a small surplus.</p> <p>Staffing costs reflect movement of staff leaving 31.12.2023. A focus is looking at recruitment and retention.</p> <p>Q – A governor asked whether the school holds exit interviews for staff?</p>	CFO

		<p>A – Yes they are carried out by SLT</p> <p>Q – A governor stated that this would be hard with an SLT member and should this be a governor going forward?</p> <p>A – Yes this could happen. An INSET day planned next week will be to carry out staff opinion, careers, staff voice.</p> <p>Cash in the bank is being reduced. Due to the Poundbury reclaim being lagged, 160k is due to date, it is showing 3 months lagged, this does have a big impact on the cash flow.</p> <p>Governors had no further questions</p>	
7.	Paper	<p>CORPORATE RISK REGISTER</p> <p>Currently reviewing and will distribute to GVO to circulate for Governors to review.</p>	Principal
8.	Paper	<p>PAY POLICY</p> <p>The Pay Policy for 2023-24 was circulated prior to the meeting for all governors to agree.</p> <p>Q – A governor asked whether there are any changes from last year.</p> <p>A – New pay scales, that this had been agreed at the Finance committee</p> <p>Andy (Chair of Governors) had attended safer recruitment training will see the SBM regarding pay decisions.</p> <p>All Governors agreed to adopt.</p>	School Business Manager