

**Minutes of the Southerly Point
Co-operative Multi-Academy Trust
Finance and Resources Committee Meeting
Monday 12th December 2022, from 6.00pm
in the Trust Conference Room**

<u>ATTENDING :</u> Clare Kendle Will Smith		CKe WSm
In Attendance Mark Blackman [SPCMAT Interim CEO / AO / Ex-Officio Trustee] Karen Bond [Trustee] Andrew North [Member] Alison Oliver [Bishop Fleming – External Auditors] Sean Pinhay [SPCMAT Chief Financial Officer] Karen Teague [SPCMAT Administrator / Clerk to the Trust Board]		MBI KBo ANo AOI SPi KTe
<u>APOLOGIES :</u> None		
		<u>ACTION</u>
3.	<u>WELCOME AND DECLARATIONS OF PECUNIARY INTERESTS</u>	
	The Chair welcomed all those present. Under Declarations of Pecuniary Interests , no further declarations were forthcoming.	
4.	<u>MINUTES AND MATTERS ARISING</u>	
	The minutes of the meeting of the Finance & Resources Committee on 15 th November 2022 were agreed to be an accurate record and were duly signed by the Chair. There were no matters arising from the previous meeting on this occasion.	
5.	<u>AUDIT REPORT AND ANNUAL ACCOUNTS</u>	
	<u>Annual Report and Financial Statements to the Year Ended 31st August 2022</u> AOI led the Committee through the report, which had been shared with Committee members prior to the meeting. She advised Committee members that, as a clearance meeting had already taken place and the accounts had been shared, she would be taking questions by exception if they were agreeable to that. <u>Key Issues for Discussion Document [KIDD]</u> AOI provided a brief overview of the KIDD, which had also been shared with Committee members prior to the meeting. Matters raised and discussed included: Introduction and Executive Summary AOI informed Committee members she anticipated issuing an unmodified Audit Report and Regularity Report. Key Audit Risks and Other Findings In the area of Key Audit Risks – risks being management override of controls; fraud in income recognition; accounting for the closure / transfer of schools; unauthorised transactions; related	

parties; unauthorised borrowings or leases - no material errors or issues were identified.

Other Audit and Financial Reporting Matters

Individual Schools' Deficit Carry Forward. Three schools were flagged as being in a deficit position at the year end. The wording had been agreed for disclosure in the notes to the financial statements.

Harpur Trust vs Brazel. Discussion had been had around paid annual leave and AOI was satisfied from this that no material quantum sat there waiting for a claim on the Trust. She was confident the right thing had been done for the schools, this Trust and the receiving trusts.

FRS102 pension valuations. AOI highlighted that the year on year deficit on the LGPS pension scheme had significantly decreased. Similar levels of change had been experienced by all trusts that Bishop Fleming audited and therefore the change experienced by SPCMAT was in line with all similar trusts. This was simply due to the fact the assumptions applied by the actuaries had changed year on year.

Q. Is the forecasted gain likely to reverse in coming years?

A. It will depend on the economic climate and this is rather a moving target but, based on previous experience and accrued knowledge, this is likely. However, as this is underwritten by the government, it does not represent a significant concern.

Going Concern Disclosures. Confirmation the Trust was a going concern financially required it to be actively trading for twelve months from the date of signing the report and this would not be the case. For this reason, the Trustees had adopted the 'other than a going concern' basis in preparing the financial statements. However, Trustees had a reasonable expectation that the Trust had adequate resources to continue in operational existence until such time as the company was fully wound up and, following the transfer of schools to other Trusts, the Trust would retain such funds as required to continue trading for the full financial year 2022/23. Trustees would take such measures as were necessary to further the operation of the Trust within the available resource for 2022/23. The Trust continued to provide for the discharge of its charitable objectives.

Audit Insights

Number of Journals [per month by transaction date]. Whilst there were some peaks and troughs, AOI was satisfied with the explanations given and happy there was no additional risk as a result.

Posting Gap. A gap had been noted that historically had not occurred in the same way but this did not represent a significant concern.

Timing of Journals. The picture around these was much healthier for the team than had been the case in previous years.

Benford's Law Review. As any variances were very small, AOI was happy that no underlying issues were indicated.

Key Word Analysis. Nothing inappropriate was identified.

Management Letter Points and Internal Control Systems

No red or amber points had been identified and there were only four green points, slightly up from two identified the previous year. Discussion had been had around these and AOI was satisfied the management responses were appropriate in the circumstances.

Any questions and comments were then sought by AOI.

Committee members praised the very clear picture that had been presented and which evidenced the quality of work undertaken.

SPI noted a few minor adjustments to be made around prepayments and accruals but it was emphasised these were not material. SPI asked for clarification on two of the adjustments. AOI agreed to follow up on this with the lead auditor.

A minor query was raised around related party transactions. A transaction with Plymouth Marjon University had rightly been declared and ILu's name noted against this. It was suggested that GKI's name also be noted alongside ILu's name for absolute transparency.

Action: SPI to follow up on this.

Any further questions were sought but none were forthcoming at that time.

The Committee **recommended** the approval of the Annual Accounts by the full Trust Board, subject to the requested amendments.

AOI

SPI

	<p>Action: Accounts to be approved by full Trust Board, subject to the requested checking points being finalised.</p> <p>ANo thanked Committee members for allowing him to join them for the presentation of the audit report / final accounts and left the meeting at this point.</p> <p>Letter of Representation</p> <p>AOI assured Trustees there was nothing long standing here and the points were those many trusts would have.</p> <p>Action: Accounts and Letter of Representation to be signed off by Chair of Board / Accounting Officer, after the checking points had been finalised and the accounts formally approved by the Trust Board.</p> <p>Financial Overview – Analysis of Performance</p> <p>AOI explained this document, shared separately to provide a revenue fund movement reconciliation, had been for reference and to ensure Committee members could see the underlying performance, alongside other financial statement key areas.</p> <p>AOI asked Committee members if there was anything further to be drawn to her attention. Committee members confirmed there was not and thanked AOI for her contribution to the meeting.</p> <p>AOI left the meeting at this point.</p>	<p>Trustees</p> <p>WSm / MBI</p>
<p>6.</p>	<p><u>ESTATES REPORT</u></p>	
	<p>SPi advised Committee members that, as in the previous meeting, there was nothing of significance to report due to the imminent transfer of schools from the Trust.</p> <p>Additional Works Relating to Health and Safety</p> <p>Whilst within allocated parameters for decisions to be made by the CEO / CFO, a small number of projects [all of which related to health and safety] had been added to the information originally shared with the Committee so SPi briefly updated Committee members on these for their information.</p> <p>Central Staff</p> <p>A brief update on the remaining Central Team members was shared with Committee members for their information.</p> <p>Any questions or comments from Committee members were sought. Trustees indicated they had no questions at this time as the information presented by SPi had made the current situation very clear.</p>	
<p>7.</p>	<p><u>LATEST MANAGEMENT ACCOUNTS – 2022/23</u></p>	
	<p>The following documentation had been shared with Committee members prior to the meeting for their consideration:</p> <ul style="list-style-type: none"> Trustees Summary Management Accounts 2022-23 October 22 Figures: Summary of the figures for all the schools latest financial position for 2022-23. Trustees Summary Management Accounts 2022-23 October 22 Graphs: Summary of all the schools latest financial position for 2022-23 in graph form for quick reference. Trustees Summary Management Accounts 2022-23 October 22 Figures and Graphs by individual school: Details of each school’s latest financial position for 2022-23 to enable Trustees to delve deeper into any areas around which they might have a particular query. <p>Areas covered in each set of Management Accounts included:</p> <ul style="list-style-type: none"> In Year Over / Underspends – All Activities, budgeted and latest actual, by individual school and Central End of Year Reserve, budgeted and latest actual, by individual school and Central In Year Over / Underspends – Trust Total, budgeted and latest actual End of Year Reserve – Trust Total, budgeted and latest actual <p>SPi informed Committee members the Trust had never had an issue with funds and that theme continued. The figures were also in line with the projections given to the receiving trusts.</p> <p>Committee members were advised the November accounts would go deeper. Whilst there would be some movement, it was not anticipated this would be significant. Almost everything was now in and</p>	

	<p>it would therefore be possible to be more accurate. There was a predicted revenue reserve of £2.1 million and a predicted capital reserve of £1.3 million. SPi was also confident the contingency that remained in the Central budget should be more than sufficient to meet any outstanding costs.</p> <p>Committee members thanked SPi and the remaining members of the Finance Team for their work in this respect.</p> <p>Any questions or comments from Committee members were sought but none were forthcoming at that time.</p>	
8.	<u>TRANSFER OF FUNDS TO ASPIRE AND KERNOW</u>	
	<p>MBI put forward a resolution to transfer the school balances in respect of Crowan and Wendron Schools to Aspire Academy Trust and Kernow Learning Multi Academy Trust respectively. Papers detailing the figures pertaining to the transfers had been shared with Committee members prior to the meeting for their information and consideration. Committee members were advised these were largely settled balances with just a few minor adjustments to ensure that, at the end of the three month period, nothing was outstanding.</p> <p>Committee members were advised these would be used as models when it was necessary for this task to be undertaken in respect of the other schools. SPi added that, when shared with the receiving trusts, these had come back the same day and there had been no real push back, which suggested there was more than enough detail and the other trusts were happy with them. An additional piece to cover the arrangements around the energy contract had been added.</p> <p>Committee members noted their support of the resolution going to the Trust Board for formal approval.</p>	
9.	<u>POLICIES</u>	
	There were no policies for consideration and approval on this occasion.	
10.	<u>ANY OTHER BUSINESS</u>	
	There were no further matters for consideration so the meeting was brought to a close at 6.30pm.	
11.	<u>DATES OF FUTURE MEETINGS</u>	
	<p>The next meeting of the SPCMAT Finance and Resources Committee will take place on 24th January 2023, from 6.00pm. This will be an online meeting.</p> <p>Thereafter, meetings will take place on:</p> <p>14th March 2023</p> <p>13th June 2023</p> <p>By 19th September 2023</p>	

Chair's Signature _____ Date _____