



## CONFIDENTIAL MINUTES

### Finance, Audit & Risk Committee Meeting

### 16:00 on Thursday 17 August 2023

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**PRESENT:** Tom Attwood, Stephen Gough (Ch), Chris Weavers

**ALSO IN ATTENDANCE:** Jonty Clark (Interim T4 CEO), Kingsley Mayuku (CFO, T4), Stephen Bruce (Interim CFO, Attwood Academies Trust), Gosia Klosek (Head of College, ArtsX) Asad Muzammal (Clerk)

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**1. Welcome and Apologies for Absence:**

- a. None.

**2. Declarations of Pecuniary Interests:**

- a. None.

**3. Minutes of the previous meeting and matters arising:**

a. **Actions carried over:**

**Action 220228/01:** A pipeline analysis to be brought to the next meeting, detailing how many students are at each stage of the referrals process; details of the maturity of how long students have been on the waiting list; the potential funding and costs of each student in the pipeline; and how the pipeline will impact recoupment of the cash loss over the year. The pipeline analysis to be updated and circulated to Finance Committee members monthly. (Reassigned to KM, JC)

**Action 230220/02:** An aged debtor list by LA, showing how much has been invoiced against each individual student, and how much is against a yet to be signed student agreement, to be sent to the Committee following this meeting. (KM)

**Action 230506/01:** Monthly income to be tracked against a model of the seasonality trend changes in the roll seen in previous years and staffing level requirements to be tracked in a similar way. The figures and assumptions to be quality assured by SS. (KM, SS)

**Action 230724/01:** The Health & Safety audit report to be circulated to the FARC Committee. (KM)

**Agreed:** The Minutes of the meeting held on 24 July 2023 was confirmed as a true and accurate record.

#### **4. Finance Update:**

- a. SB advised that the finance team has reviewed the May and June management accounts. The balance sheet and June cashflow still need to be finalised. The accounts now include all credit card expenses, but some may need to be re-coded. Work is taking place on tidying up the debtors and sales ledgers and recording transfer of funds into the correct bank accounts. The opening balances have now been corrected.
- b. SB advised that a discussion has taken place with auditors and many of the audit recommendations from last year can expect to remain for this year. Audit recommendations that have been completed include HR contracts being signed.  
A new action is related to a historic £70K CIF bid for the IMHS dining and kitchen area, which does not appear to have been recorded as a receivable. This has now been recorded as additional income for this year.
- c. The July management accounts are currently in hand. Work is required on the IMHS purchase ledger, as payments have been made without the corresponding invoices being loaded onto the system. Trustees acknowledged that the July and August management accounts will record additional expenses.
- d. Trustees discussed how the accounts presented at the previous meeting had shown a £478K variance in the General Administration costs line and in the accounts presented today the variance has increased by £4K to £482K. KM advised that during investigation, administrative errors were found where multiple accounts had been created for the same customer. Payments had been made against one customer entry and the invoices recorded against a different customer entry, where there was slight variation in how the customer name was recorded, but it is the same customer.
- e. Trustees noted that the large variance in the Educational Resources budget line between the May and June accounts is due to corrections having been posted to this budget line.
- f. In response to questions on the variance in staffing costs in June, KM advised that a backlog of IMHS agency staff costs had been posted in June, where this should have instead been posted across the year. The budget line also includes additional costs for consultants and other contractors.
- g. In response to questions on the forecast outturn of a £30K deficit against the current deficit of £120K, KM said that income will pick up in August, as this is spread across the year. Agency staff costs, consumables costs and catering costs will not be incurred in August. SB advised that some expenditure can be capitalised before finalising the year end accounts.

**Action 230817/01:** The July variance to budget to be circulated to the Committee as soon as it is available. (KM, SB)

- h. In response to questions on the roll at both establishments, KM said that there will be a better idea on the gap between income and expenses after the June management accounts have been prepared for ArtsX.
- i. In response to questions, SB said that the June management accounts can be submitted next week and the July and August management accounts are on target.
- j. In discussing preparation of the 2023-24 budget, KM said that the projection will be based on spend in the current year and work is still taking place to determine the current year's spend. Trustees agreed that they do not require a highly precise budget and agreed that assumptions can be made with the current financial history. Indicative income and cost figures for the year ahead can be forecast. A re-forecast of the budget to be more accurate can be made in the

months ahead if need be and depending on any changes in the forecast roll. Trustees discussed how the students at IMHS with EHCPs allows for more stable forecasting than at ArtsX.

Trustees acknowledged that the 2023-24 budget must be approved and submitted by 31 August.

## **5. ESFA Capital Funding:**

- a. In discussing the business case prepared for the £200K ESFA grant, KM advised that the executive has prepared a list of works that might qualify for the grant and work has started on obtaining quotes for these works.
  - CCTV – a quote has been received for installation of 124 cameras at a cost of £60K. Trustees acknowledged that a Data Protection Impact Assessment will also need to be completed. The contractor has also quoted £14K for installation of vape detectors.
  - Reception area – the reception area is very open and does not have a door. The reception desk is not compliant for wheelchair users. There is also a data protection concern, as computer screens are easily visible from the reception area. As the whole layout is very open, it has become a place of social congregation for students and this disturbs the use of the area.
  - Student Gym – the current gym facility comprises of a punch bag and some weights.
  - Airlock Entrance Door – the current set up exits straight onto the street.
  - Fire Dampers – 118 of 124 fire dampers failed in the last inspection, due to no access panels to inspect them. Trustees noted that the fire dampers were compliant with the regulations when installed, but the regulations have changed since. GK said that there is no reason to think that the fire dampers are not working. Trustees acknowledged that there have been many changes in building fire regulations following the Grenfell inquiry.
  - Rear Access
  - Lift Access Control
  - Fire Call Point Covers – GK said that the push button triggers for the fire alarm are often been set off by students and this has led to a loss in learning and teaching time.
  - White Boards.
- b. Trustees discussed the possibility of some pushback on the CCTV works, as the ESFA handed the building over with a working CCTV system. GK said that an increase in CCTV coverage is required for safeguarding and health & safety reasons. CCTV was amongst the recommendations from the LA quality assurance visit. The Ofsted inspection also highlighted certain behaviour related risks and hazards that could be mitigated through CCTV.
- c. Trustees discussed allocating funding to prioritise the CCTV and Fire Dampers to be completed before the college opens in September. Trustees agreed to also prioritise the whiteboards, as this is a negligible cost that will provide two fully functioning classrooms. Trustees discussed how some of the works relate to health & safety and safeguarding. In response to questions on whether the college could spend on the works now and claim back against the ESFA grant later, SB said that with a CIF bid you cannot claim back funding that has already been spent. However, this is not a CIF bid and the proposal will be discussed at the meeting with the ESFA next week.

**Action 230817/02:** The ESFA to be asked to reinstating the Fire Dampers so that they meet current regulations, as part of the original handover process. (KM, GK)

**6. Any other Business:**

- a. Trustees wished to record their congratulations to the six ArtsX students who passed the L3 Diploma qualification and the student who passed his A-level Photography.
- b. Forward Agenda
  - Reserves Policy
  - 3-Year Capital Expenditure Plan
  - Health & Safety Audit report
  - 18-month view on cashflow

**7. Date of the next meeting:**

- FARC meeting: 29 August
- Board meeting: 25 September

- a. CW and JC advised that they will be travelling at the time of the next FARC meeting but will attend the meeting if possible.

**8. Any Confidential Items:**

None

**9. Items for non-Staff only:**

None

The meeting closed at 16:55

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Chair

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Date

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**Decisions**

**Agreed:** The Minutes of the meeting held on 24 July 2023 was confirmed as a true and accurate record.

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**Action 230724/01:** The Health & Safety audit report to be circulated to the FARC Committee. (KM)

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**Actions from this meeting:**

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