

## Minutes of meeting

### Financial Oversight and Risk Committee

Date:	Wednesday, 13 May 2020	Time:	11.00– 14.00
Location:	Teams meeting	Clerk:	Claire Lovell
Apologies:	None		
Present:	<p><b>Peter Murray (PM)</b> Founding Chair and Trustee</p> <p><b>Andrew Jones (AJ)</b> Trustee and Chair</p> <p><b>Ian Brookman (IB)</b>Trustee</p> <p><b>Frances Hall (FH)</b>Trustee</p>	In Attendance:	<p><b>Nick Hudson (NH)</b> Chief Executive Officer and Trustee</p> <p><b>Joanne Dawson (JD)</b> National Director of Finance (NDoF)</p> <p><b>Sarah Vout (SV)</b> Head of Finance</p> <p><b>Claire Lovell (CL)</b> Head of Compliance and Reporting</p> <p><b>James Miller (JM)</b> National Director of Estates and Technology</p>

	Item	Minutes	Action
1.	<b>Welcome and apologies</b>		
2.	<b>Approval of minutes from previous meeting</b>	The minutes from the last meeting on 12 February 2020 were approved.	
3.	<b>Matters arising from previous minutes</b>	<p>The tracker was discussed and it was agreed that both trackers for Audit and FOR would be amended and points deleted where relevant.</p> <p>The Trustees advised that there was an overall improvement in the quality of papers presented to the committee. However, on some papers there is still too much detail. Trustees requested the use of standard templates again across all committees, and clarity regarding the purpose of the paper.</p> <p><u>Review of tracker</u></p> <p>The Committee was advised that the EPM portal on consolidated reporting has been delayed. However, work has started on reviewing supply and agency costs.</p> <p>Trustees requested an overview of the framework surrounding risk management, responsibilities and governance. It was agreed that the NDoF would discuss this at the next FOR and how risk management forms part of this process.</p>	JD

		<p>The Trustees advised all performance related pay should be included in Principals' performance management.</p> <p>The team are investigating a new finance system and detailed costings have been requested from SIMS. Once all of the information has been obtained a decision will be made on which finance system will be adopted.</p>	
<p>4, 5 6</p>	<p><b>Update from National Director of Finance</b></p>	<p>The NDoF provided a summary of the financial position of the Trust highlighting the decisions needed by the Committee.</p> <p>Rob Pritchard, National Director for Education, will attend the June FOR meeting to provide an education perspective. The NDoF confirmed that the Regional Directors are involved throughout the budget setting process.</p> <p><u>Budget</u></p> <p>The current budget position was noted, and it was agreed that the components would be managed to meet the reserves target of 3.2%.</p> <p>The budgets that are being prepared assume circumstances are back to normal from September 2020. The forecasts assume partial opening from 1 June.</p> <p>The Trustees asked what the position would look like if schools are not open from September 2020.</p> <p>The NDoF confirmed in response that from a budget perspective, the funding will still be received and there will still be a commitment to overheads, such as wage costs.</p> <p>Trustees queried the position around contingencies and whether there should be a PPE budget at Head Office or at individual schools. The NDoF advised that budgets will be reviewed for contingencies.</p> <p>The Trustees requested that an alternative version of the budget should be prepared if schools do not open as usual in September. It was confirmed that there is no concern for the Trust from a cash perspective.</p> <p>The Trustees then queried if the insurance procurement was to be presented at FOR in the future. The NDoF confirmed that it will be presented to FOR but issues surrounding COVID 19 and trip cancellations has delayed this, and it is due for review and approval in June date is September.</p> <p><u>Reserves</u></p> <p>The Trustees queried the movement on contingencies and requested more of an understanding surrounding these.</p> <p>Trustees confirmed they are happy to wait to see the Executive's final proposal regarding the budgets and the level of CFO contingency included within this.</p> <p>The Trustees asked if any additional funds can be claimed because of COVID 19, and it was confirmed that if a Trust has reserves, limited additional funds can be claimed. Edenred have been poor at resolving the issue of free school meals and in addition there have also been some trips that have not been fully recovered.</p>	

		<p>It was agreed that insurance training will be included on the next FD's training session.</p> <p>Trustees queried the variance between the original budgets that were received and the revised budget. The NDoF advised that it was a mix between some schools just wanting to produce a break-even budget and some schools needing increased financial management support.</p> <p>It was confirmed that it is a transformational process in terms of the budget setting process, but it is also about culture.</p>	
7.	<b>Capital Maintenance Allocation panel</b>	<p>The National Director of Estates and IT provided an update on the property position within OAT and stated that each year OAT receives capital funding from the ESFA based on academy locations, pupils, and condition of the buildings.</p> <p>A panel assembles each year to review the bids. He confirmed that the FOR committee will need to ratify report that has been prepared by the panel.</p> <p>A copy of the report goes to all academies. No BIPs were turned down where the work needed to have been done. NH was happy there was no risk associated to this.</p> <p>The RAG ratings were discussed, and it was confirmed that money is directed to the red areas where necessary.</p> <p>The Trustees endorsed and approved the CMA panel report.</p>	
8.	<b>Post 16</b>	<p>The FOR Committee discussed recommendations from the School Improvement Committee regarding Post 16 provision. This will be discussed in further detail at the July meeting.</p>	
9.	<b>#iwill</b>	<p>#iwill is jointly funded from the Lottery and Ormiston Trust (OT) and it is coming to an end at the end of this calendar year. The vision for #iwill is that it will integrate into OAT's approach for teaching, learning and curriculum. It will be incorporated into the work that Tuesday Humby leads on, to enable academies to take enrichment forwards.</p> <p>The Trustees were asked to support working with OT, with a plan to integrate this into the OAT structure to progressively take on the budget for the individuals included in the plan.</p> <p>The Trustees stated that they were interested in the return on investment and asked what were the original KPI's set at the project's inception. It was confirmed that in principle the Trustees support the allocation of funding going to enrichment, provided a positive impact for children can be demonstrated.</p> <p>It was then further discussed that this work needs to be linked to metrics, with more tracking of spend to date.</p> <p>A full paper will be prepared for the June meeting, confirming spend to date, delivery and correct allocation of funds. This paper should also go to School Improvement Committee.</p>	
10.	<b>Finance Transformation</b>	<p>No further issues. The Trustees are comfortable with finance transformation.</p>	
11.	<b>Governance</b>	<p><u>Decision Framework</u></p> <p>Overall transformation was started with the Executive five years ago. Time was spent reflecting on the last 15 months and what the Executive</p>	

		<p>want to achieve in the future. Roles and responsibilities within the organisation are now clearer.</p> <p>It was agreed that the NDoF will share by email the track changes document with so that amendments can be annotated.</p> <p>It was confirmed that policies will be coming to FOR in June, and that the NDoF and her team are currently working with Mazars on the risk management policy.</p> <p>The word documents will be shared in advance and the Trustees will be asked for feedback.</p> <p><u>Risk register</u></p> <p>The risk register provided includes both strategic and operational risks. This will be split so that a strategic risk register is presented to FOR. The risk register will also be sent to academies for their risk reporting, and as a minimum this will be updated on a termly basis.</p> <p>It is an OAT policy that academies should adopt with consideration of how this will sit with the Local Governing Body.</p> <p>The Trustees queried why the policy refers to training at Head Office. The NDoF will review and make this more academy specific. It was also stated that Mazars are reviewing and providing feedback on both the policy and the risk register</p>	
12.	<b>Any other business</b>	<p>Legacy #iwill and Post 16 papers to be added to the June 2020 agenda.</p> <p>It was agreed that the budget information would be shared as soon as possible. Other Word documents would be shared either late May, or as soon as possible to enable feedback to be delivered earlier.</p>	
<b>Date of next meeting: 26 June 2020</b>			