



EPA Audit Committee Meeting

Minutes of Meeting

held on Thursday 19 January 2017 at 6 pm at Bartholomew School

Present: Members: Frances Bartlett (FB), James Bird (JB), Anne Carter (AC), Mike Foster (MF)
Other Directors: Jane Osborne (JO), Tony Booer (AKB), Andy Hamilton (ASH)

In attendance: Mike Lawes (ML) EPA Chief Financial Officer, Kit Howells (KH) Clerk

The meeting was quorate

1.	<p>Apologies Received from Peter Reynolds (PR) (CHAIR), and accepted. FB took the Chair for this meeting in absence of PR.</p>
2.	<p>Declarations of Interests</p> <ul style="list-style-type: none"> • PR is employed by City of Oxford College; several Bartholomew students are on roll there. • FB is Diocesan Schools Adviser for all the Church schools in the EPA • JB is employed by Oxford Brookes University Education Department • AC is employed by Housing Support at West Oxfordshire District Council
3.	<p>Minutes of the meeting held on 21 April 2016 The Minutes were agreed and signed by the Chair for EPA files.</p>
4.	<p>Matters Arising from the Minutes of 21 April 2016, not on the Agenda</p>
4.1	<p>It was formally noted that this meeting replaces the postponed meeting originally scheduled for December and is one of the two formal meetings of the year.</p> <hr/> <p>All Matters Arising were covered by main Agenda items for this meeting.</p>
5.	<p>Review of responses to 2015-16 Audit findings and Key issues from 2015-16 Annual Report and Financial Statements Critchleys' report of 15 December 2016 on various matters arising from the 2015-16 Audit, together with Critchleys' Appendices detailing Recommendations arising and ML's COO report on key features of the EPA Annual Report and Finance Statement for year ending 31.8.16, had all been previously circulated. Updated Recommendations Appendices were tabled and ML highlighted the changes, noting that he had sent it to all EPA schools. No aspects are highlighted as high risk; those aspects requiring attention are medium or low risk.</p> <p>The key medium risk is the Responsible Officer role, which was discussed in some depth by the Committee. Whilst the responsibility for monitoring and ensuring that the Academies' procedures are being followed by the Primary Schools is the COO's, the COO does not have time to himself conduct internal reviews of financial processes and procedures through the year in all the Primary Schools. ML explained that Bartholomew's procedures are monitored biannually through a reciprocal arrangement with Lord William's School, but the Academy does not currently have the required skills within the Trustees or within the individual schools to do this work, and employing Critchleys would be a significant cost. It has therefore been agreed that the Senior Finance Officer will undertake this work under the direct supervision of the ML</p>

	<p>and each Primary will be visited once between January and June 2017. ML will then report to the Headteacher and senior Finance staff member, and the Committee also agreed he should report to the Chair of LGB and of LGB Finance Committee, to highlight any problems, risks and required actions. This review will happen once a year with follow up visits during the year.</p> <p>Other risks, recommendations and Management response were noted. Directors noted and agreed the EPA’s Management response to each one.</p> <p>Key issues continue to include the significant rise in Local Government Pension Scheme contributions, reduction and eventual complete loss of Education Services Grant, the new National Funding Formula (proposals indicate funding cuts for EPA schools overall, and some EPA staffing capacity issues.</p> <p>Directors were pleased to note that all EPA schools finished 2016 with surplus balances. Large capital balances are committed to programmed work in the schools. Staffing costs have increased but have reduced as a proportion of budget, mostly reflecting increase in pupil numbers. Directors noted that financial pressures are likely to enforce reduction of staffing costs to the recommended 75%. It is essential that Headteachers and LGB Finance Committees ensure detailed scrutiny of spending proposals, for staff or other expenditure.</p>
<p>7.</p>	<p>‘Dear Accounting Officer’ letter from Chief Executive of EFA and EPA Compliance Newsletter</p> <p>The annual letter from EFA’s CEO and ML’s proposed EPA Compliance Newsletter had been previously circulated. This year’s letter focuses on governance, stressing key areas to watch, particularly financial interests and highlights the Seven Principles of Public Life. Much of what is recommended is already in place in the EPA.</p> <p>The Committee approved ML’s EPA Compliance Newsletter which responds to the EFA letter to illustrate actions already taken by the EPA to meet requirements and ML will issue the Newsletter.</p> <p style="text-align: right;">Action: ML issue Compliance Newsletter</p>
<p>8.</p>	<p>Review of the EFA Schedule of Requirements that Trustees must ensure are in place (Governance & Financial Oversight etc – “the musts”)</p> <p>ML had previously circulated the EFA’s Schedule of Requirements annotated with his review of the current status of the EPA in relation to these. These Requirements are the ‘musts’ required by the EFA in its annually-produced Academies Financial Handbook each year that a trust must have in place to be effective. Most in place and mostly issues around website. This update has already been reviewed and agreed by EPA Finance & Resources Committee and is brought to this Committee for information.</p> <p>Directors noted that all except one of the requirements are fully in place or are not applicable to the EPA. The only requirement not yet fully addressed is having appropriately qualified/experienced finance staff, which remains work in progress and dependent upon decisions made about future EPA structure in the short to medium term. The EPA is otherwise fully compliant with the EFA’s handbook.</p> <p>This Schedule will be reviewed at every Audit Committee meeting. Action: ML/BVB/PR</p>

9.	<p>Continuing Review of EPA DB F&R Risk Register</p> <p>The Register continues to be reviewed at every meeting of the EPA DB Finance & Resources Committee (most recent meeting on 9 January) at which the level of impact and probability for every risk is reassessed. The major key risk continues to be succession planning, alongside long term absence.</p> <p>Audit Committee is satisfied that the EPA is monitoring the Register through that Committee.</p> <p>ML will bring an update to the June meeting. Action: ML(BVB/PR)</p>
10.	<p>New systems – verbal update by ML</p> <p>Finance system (PS Financials)</p> <p>The EPA has employed PS Financials since 1.11.15 when the SAP accounting system was withdrawn. The new system is operating well. PS Financials supplies financial systems to 75% of MATs nationwide. ML noted that PS Financials has been bought out by Iris, a large software-based company. This should strengthen PS Financials’ ability to better service their helpdesk.</p> <p>Payroll and HR Administration (Selima Ltd)</p> <p>The new system provided by Selima to provide payroll is working well (including the self-service system), with staff all paid monthly, correctly and on time. EPA is now able to issue its own contracts from the system.</p>
11.	<p>Any other business – None.</p>
12.	<p>Dates of next meeting(s):</p> <p>Next meeting: Wednesday 14 June, at 6 pm, at Bartholomew School. (subject to PR being able to attend). Action: KH to check with PR</p> <p>Items for the Agenda to include: Action: BVB/PR/ML Update on the internal reviews of EPA schools to ensure all Auditors; Update on risk register</p> <p>Then following Audit Committee meeting to be arranged in January 2018 (to review the 2016-17 Accounts and Auditors’ findings) Action: BVB/ML/PR to schedule</p>

The meeting closed at 7 pm

Kh/27.1.17