



**CHESTERTON
COMMUNITY COLLEGE**

**Chesterton Community College
Audit Committee Minutes
12th November 2013**

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12th November 2013 (6.00pm to 7.35pm)

1. Present:

Mark Little, Jim Warwick, David Sharp, Nicola Von Schreiber, Mary Sanders, Lucy Scott, Katherine Hutchinson

Julie Weaver from Chater Allan Chartered Accountants, was present.

Clerk: Wendy Palmby was present.

2. Apologies: Alistair Wayne, Colleen Lehane, James Strachan

3. Conflict of Interests:

None were declared

4. Chair: As James Strachan was absent, David Sharp was asked to take the chair.

5. Terms of Reference: These were reviewed, agreed and remain unchanged apart from dates. They are in line with Academy's Finance Manual. **Action:** Clerk to amend dates

6. Minutes of the last meeting: The minutes were agreed and signed as a true record.

7. Matters arising: There were no matters arising.

8. Financial Update:

Presented by: Julie Weaver from Chater Allan, Chartered Accountants and the Academy Auditors.

Julie Weaver explained that Peter Howard-Jones was now a partner in Chater Allan.

The Accountants for the Academy have to retender after three years so Chesterton Academy will have to retender next year (2014).

9. Julie Weaver talked through a draft of the "Key Issues Memorandum to the Governors of Chesterton Community College for the Period ended 31st August 2013".

- There was discussion on the Academy's Pension liability in relation to the current Local Government Pension Scheme (LGPS). Mark Little is attending a meeting with LGPS on Friday 15th November and will report back to the Governors with any information. It is thought that this deficit may be underwritten.
- Julie confirmed that although Chater Allan has done work for one of the Governors, they are still independent as far as our accounts are concerned.
- Julie confirmed that, based on the audit undertaken by her firm Chater Allan – and provided there were no significant amendments made to the draft - they expected to submit an unqualified report for the period in question.
- Julie confirmed Chesterton CC has no liability to third parties.
- Julie confirmed there were no significant errors discovered during the audit.

Several topics were then discussed as follows:

- i. Expenditure: Julie outlined the future need (specified by the EFA) to more clearly demonstrate value for money and recommended a rigorous approach to

benchmarking. There was no suggestion that Chesterton CC had failed to ensure value during the previous year, rather that it was important to be able to evidence the formal decision-making process behind major expenditure.

- ii. Internal Control Systems: No proprietary issues were discovered, but from a regularity aspect the audit identified minor non conformities with regard to use of the purchase order system e.g. in some instances, budget holders had committed to relatively small amounts of expenditure prior to gaining authorisation via the PO system (and therefore without the ability to check on available budget).

Action: Mark Little to circulate information to budget holders reminding them of need to adhere to requirements of PO system and to monitor compliance on an ongoing basis.

- iii. The need for Chesterton CC to have a robust critical incident/disaster recovery plan.

Action: Mark Little to advise budget holders of the system in place.

- iv. Tendering procedure: Capital projects were rigorously managed but there was a breach of tender procedures where the cleaning contract was concerned: while governors had been consulted on potential options, the decision to extend the contract of the existing service provider was made without it a formal tender exercise taking place.
- v. Disaster Recovery Plans: Mark Little to check and make sure there are contingency plans in place.

Action: Check for the existence of a current live plan. If not found, prepare a new plan in good time for issue of the final audit report.

- vi. Need for Chesterton CC to have developed its own relevant financial KPIs: These are currently being considered with regards to both short (e.g. cash flow) and long term financial planning, and forecasting deficits. For example, draft forecasts currently foresee annual deficits for some future years – while there are good reasons for this (costs have not been reduced in line with income at the current stage) the Audit Committee should establish KPIs (in line with EFA expectations) as to what is and is not acceptable in financial forecasts.
- vii. Company Accounting Policies: These are standard documents which Julie considered apply to Chesterton CC. There is a need to review the performance of subsidiaries and it was suggested that, as per the previous year, a one page summary of the Sports Centre accounts be attached to the back of the report.

Action: Mark Little to send a letter of representation to be sent to the Academy along with the accounts.

10.The Governors report and financial statements were then discussed. The information on the first page must be updated so as to represent the details as they are on the day of signature. This is a draft document and amendments will need to be made before the document is returned to Julie Weaver.

The Pastoral committee needs to be added and Governor membership updated.

It was suggested that the previous Headteacher, Mark Patterson be asked to countersign page 10 and that the Governors would need to invite him to do this.

11.A.O.B: There was no other business

The meeting closed at 7.35pm

Date of next meeting: TBC

 15.10 2014