

DOMINIC BARBERI MAC

MINUTES OF THE 38th DIRECTORS MEETING

HELD ON WEDNESDAY 12TH DECEMBER 2018, AT 6.30PM, AT ST. GREGORY THE GREAT

	<p>Present: Gerald Crown (P/Vice Chair) (GC), Fraser Long (F)(FL) Executive Principal, Judith Schmidt (F) (JS), Fr. Mervyn Tower (F) (FMT) and Adrian Waters (Director Pope Francis MAC) (AW)</p> <p>In Attendance: Georgina Paton (GP - Chief Business and Finance Officer – DBMAC) Andrew Rodzynski (AR) and Georgina Smallman (GS) (Auditors from Crtichleys Audit LLP - present for item 2), Kathy Smith (Company Secretary) (KS) and Sean Tucker (ST) Acting Head of School – St Gregory the Great School)</p> <p>The meeting was quorate and opened at 6.30pm with prayer.</p>	
<p>1</p>	<p>Welcome, Apologies, Declarations of Interest FMT welcomed everyone to the meeting, taking the chair until GC arrived.</p> <p>Apologies received and accepted: Paul Concannon (F/Chair) (PC)</p> <p>Verbal declaration of Business/Pecuniary interests There were no business or pecuniary interests declared in any item on the agenda.</p> <p>Any urgent items of AOB (notified to Chair in advance) Directors agreed to take the following under AOB:</p> <ul style="list-style-type: none"> • Headteacher recruitment at SGG • Procurement cleaning • Working Group Finance • Staffing issues at SJT 	
<p>2</p>	<p>Final Management Letter – Auditors in attendance 'Management Letter for the period ended 31 August 2018' had been circulated prior to the meeting. AR presented the letter stating that there are two aspects to the statutory audit:</p> <ol style="list-style-type: none"> i) That the financial statements give a true and fair view of the state of the DBMAC's affairs at 31 August 2018, and of its incoming resources and application of resources. ii) That the financial statements have ben prepared in accordance with UK generally adopted practice, the Companies Act 2006 and the Academies Accounts Direction, and whether the information given in the Director's report is consistent with the financial statement <p>AR added that auditors had reviewed the DBMAC's underlying systems, income and expenditure to ensure it complied with Charity Law and ESFA regularity in meeting ESFA requirements as set out in the Academies Financial Handbook.</p>	

AR advised that auditors had modified their report, which is not qualified, to draw attention to the going concern note in the accounts, and the fact that this is dependent on the continued support of the ESFA.

Auditors had visited: SGG, SJF, SJT during the year and during their audit in November 2018 visited: STM, OL, SJC. Areas for improvement had been listed in the report and categorised as High Risk, Medium Risk or Low Risk.

Directors were pleased to note that no new high risk points were raised this year, and the number of high risk issues from previous years had reduced. There was only 1 high risk (identified in the table on page 4 and in the Appendix pages 12-19) to be addressed immediately, this related to *'Procurement procedures and authorisation limits'*. AR confirmed that unfortunately, the high risk item gives cause to qualify the report on regularity in the accounts because it indicates instances of non-compliance with requirements as set out in the ESFA's Financial Handbook.

The audit had identified a number of errors which had been adjusted in the final accounts, including £411,851 CIF income that had been awarded in that year but not accrued, and should be recognised in the accounts.

There were a number of invoices accounting for £193,322.90 dated September 2018 but costs related to 2017/2018 and should have been recorded in 2017/18 as accruals, there is a nil impact on the total value of creditors and it is good practice to record invoices within the financial year that they relate to. AR advised that this had not been significant enough to qualify the report.

AR confirmed that there were no recommendations to make concerning the qualitative aspects of the entity's accounting practices and financial reporting.

The Board discussed the concerns around purchasing and need to review the Financial Manual to ensure there is clarity around expectations regarding quotes and the raising of purchase orders. Directors acknowledged that given the number of issues resolved during 2017/18 there is clear evidence of improvements year on year.

The Board then discussed procurement procedures and authorisation limits in more depth including:

- 33 transactions were tested
- 26 did not have a purchase order raised against them
- 7 related to costs ordered through a contract
- 1 was for an operating lease
- 3 were usual instances
- 15 should have had purchase orders raised against them.

Directors noted the Auditors observation that the Financial Manual was not clear on when a purchase order should be raised. Given that 15 of the 33 expenses had no purchase order raised against them, AR advised that this would be viewed as a sufficiently regular weakness leaving this issue as high risk.

AR stated that any purchase over the value of £1K should be evidenced with quotes, of those 33 items tested, 30 were over £1K and 3 expenses did not have the quotes expected according to the Finance Manual.

The Board clarified that although there had been a CIF bid underway for the roof at STM, the roof had collapsed into the classroom and the school was fortunate that this occurred during a holiday period and therefore no pupils suffered injury. Directors stated that they have a duty to make sure that pupils are safe in school, thus the roof was repaired immediately to ensure the school was ready for pupils returning after the holiday. AR understood the urgency of that particular issue and advised that decisions of this nature are well documented and recorded providing evidence that a decision was taken and payment authorised appropriately.

Directors briefly discussed whether a level of £1K was adequate, and perhaps it should be increased to £5K which is the more usual amount. Directors **agreed** this should be reviewed alongside the Finance Manual at the next meeting of the Finance, Resources and Audit Committee (FRAC) on 27th February 2019.

Directors and Auditors both recognised the phenomenal progress made over the last few years within the DBMAC. GC confirmed that the FRAC had agreed at their last meeting that with effect from 1st January 2019 no invoice would be paid unless a purchase order had been raised against it, and requested that the Auditors add this as a note to the management letter. Directors acknowledged that the management letter is key to removing the financial notice against the DBMAC, which would send a powerful message that things have changed within the DBMAC.

AR advised that he could converse with the ICAW and put the facts before them, they would look at the issue in question and make a decision as to whether that issue had breached ESFA requirements.

Directors questioned whether the 33 items found without authorisation had come from a specific school or across all schools within the DBMAC. AR confirmed that 13 were identified as specific to SGG, although everyone in the meeting acknowledged that had the limit been adequate there would have been fewer items. AR explained that the majority of those 33 items had occurred earlier in the year and practice had improved as the year wore on.

Directors accepted that it was not feasible to turn the high risk to a medium risk procurement issue given the evidence gathered indicating a lack of purchase orders and quotes not raised against all schools within the DBMAC. However, given that the high risk did not include pay, expense claims or credit cards, the Auditors **agreed** to add additional notes indicating that the Board had already taken steps to address the lack of purchase orders (as per the minutes of FRAC meeting held on 1st October 2018) indicating their proactivity in resolving this issue.

AR observed that he had found no evidence of the Accounting Officer letters from the ESFA having been presented to the Board, however, he did note that they had been included on the agenda for the meeting today. AR advised that there were no underlying issues and no major issues, the DBMAC had commenced the year with £42K and finished with £367K, excluding fixed assets, pension, capital funds for CIF bids, noting that the FRAC meeting on 29th November 2018 had **agreed** to contribute 15% of the CIF bid award.

The Board then discussed arrangements to sign off the financial statements and Director's report to allow the Auditors to send them off to the ESFA in time to meet the deadline of 31st December 2018; GP and KS to action.

Directors thanked AR and GS for their attendance and their work over the last few years in assisting with the resolution of the majority of the items raised; AR and GS left the meeting at 7.25pm.

	<p>FMT confirmed that the Principals of all the schools now form the DBMAC Catholic Ethos Committee. A working party had been set up to discuss the sex and relationship policy across the DBMAC.</p> <p>The DBMAC Mass held at Greyfriars was well attended by SGG, OL, SJC, SJT but not fully represented by all schools within the DBMAC. FMT felt that the DBMAC did not involve parents enough in events such as the Mass or Carol Service, which is no longer held adding that this was something the Catholic Committee would work on in the coming year.</p> <p>The committee had discussed the need to increase the percentage of Catholic children attending DBMAC schools and the value of music in bringing people together. FMT advised that Principals would explore what makes Blessed George Napier outstanding in Catholic life given that it has no chaplaincy team and look at the benefit of transferring any activities that might assist the DBMAC. Directors thanked FMT for his verbal report.</p>
4	<p>Approve Final Annual Report and Financial Statements August 2018</p> <p>‘Draft Annual Report August 2018’ had been circulated prior to the meeting. Directors noted that there were a few amendments to be carried out; GP would circulate the financial statements subject to those amendments. Directors approved the Annual Report and Financial Statements 2018 subject to comment via email, for signature and submission to the Auditors, who would submit to the ESFA by 31st December 2018.</p>
5	<p>Note Accounting Officers letters from ESFA for: November 2017, December 2017, March 2018 and September 2018</p> <p>All four letters had been circulated prior to the meeting, Directors noted the letters raising no issues of concern highlighted within them.</p>
6	<p>Budget Update</p> <p>Matters arising from Finance, Resources and Audit Committee meetings:</p> <p>1st October and 29th November 2018 – the final minutes of 1st October and draft minutes of 29th November 2018 had been circulated prior to the meeting, given the full Auditors report earlier in the meeting there were no further questions raised.</p> <p>Capital Expenditure – kitchens update</p> <p>Directors questioned whether the kitchen had been resolved at STM, GP confirmed it was still ongoing. Directors noted a new issue with OL kitchen which PC is involved with, noting that work would have to be completed given the catering contract signed last year, and requested progress reports for the next FRAC meeting on 27th February 2019.</p>
7	<p>Standards and Achievement Committee meeting 21st November 2018</p> <p>The draft minutes of the committee meeting had been circulated prior to this meeting. FL reported that the meeting had been a positive one, the Principal and Chair of SJF and OL had been invited to attend. Unfortunately, both the Principal and Chair of SJF had been unable to attend the meeting. FL advised that going forward the committee will invite representation from 2 schools to give an update on progress at their schools.</p> <p>Directors voiced concern at the results from SJF and asked FL what action he was taking. FL confirmed that he had now met with Dianne Carbon (Principal SJF) who is aware of the issues and is addressing them. FL advised that Mary Watts (School Improvement Partners), had been engaged across the DBMAC to offer support and had also paid some visits to the school, a plan has been drafted and implemented, and if followed will bring about the required changes. Directors thanked FL for putting support in place to aid the school and questioned what could they do to help. GC advised that he would like to attend their next LAC meeting to find out if the</p>

	<p>LAC members required any support; KS will find out the date of the next LAC meeting. Directors noted that PC has been trying to meet up with Fr. John, LAC Chair, to offer support.</p> <p>Directors discussed the staffing issue that appeared to arise following the DBMAC restructure that was mooted but never took place. SJF had appointed an assistant Head who was not a Catholic, Directors agreed that should be addressed. STM had acted on the restructure and as a result two members of staff now need to go back to their original posts and their original salary, FL is dealing with both issues.</p>
8	<p>Working Group (Oxfordshire wide MAC) Appoint solicitor for SJC re-brokering FL advised that the PFMAC had instructed a solicitor to act for them in the re-brokering process. Directors questioned whether there was any reason the same solicitor could not act for both MACs, GP will contact Rebecca Tonks at the Diocese for further guidance. Directors understood that the TUPE process could commence once solicitors are in place.</p>
9	<p>Standing items</p> <p>Health and Safety GP advised that there are several significant non-compliances identified within the Health and Safety Monitoring Report carried out at SJC on 26th November 2018, some of which had been highlighted during last year’s monitoring visit. Directors noted that the school did not have a caretaker and statutory tests/inspections were not being undertaken. However, not all schools have caretakers and some of these tests can be carried out by admin staff. Directors agreed that SJC should contact an external company who can act for the school immediately and ensure that the relevant tests/inspections are carried out before the Christmas break. The cost of an external company can be paid for from the part time caretaking post currently not recruited to. GP will visit the school in the new year to look at a long term plan for health and safety requirements in the school and report back to FRAC on 27th February 2019.</p> <p>GC asked GP to task Carl Simpson (CS) with setting up internal health and safety checks within schools, and to arrange regular meetings between CS and GC for schools to adopt a proactive approach rather than reactive.</p> <p>Safeguarding Directors noted that all schools had submitted their annual safeguarding reports to the Local Authority and that there were no concerns raised at this meeting.</p> <p>Policy approval (if required) –</p> <ul style="list-style-type: none"> • Pay for Support Staff November 2018 ‘Model Pay Policy for Support Staff in Schools 2018-2019’ had been circulated prior to the meeting. Directors questioned the financial implications of the policy, GP advised that 2% pay increase for all staff had been built into the budget, any further implications would be predicated on how changes in grades are implemented. Directors noted that the policy was the Local Authority Model and approved the policy for circulation to all schools within the DBMAC. • Admission Arrangements 2020/2021 ‘Admission Arrangements for the academic year 2020/2021 for St Gregory the Great all through school’ had been circulated prior to the meeting. Directors approved the arrangements for submission to Rebecca Tonks at the Diocese at her request. • Safe Practice in School Swimming (for brief discussion) ‘Safe Practice in School Swimming Policy June 2018’ had been circulated prior to the meeting. FL will take the policy to the Principal’s meeting to discuss any training/budget implications and

	<p>whether it is appropriate for schools to adopt the policy, and report back to FRAC on 27th February 2019.</p>	
10	<p>Governance Agree roles and responsibilities/SEN, Pupil Premium, Contract Negotiation Directors noted that given there are vacancies they would not be able to fulfil all the roles that they would like and that this item should be reviewed regularly and incorporated where possible within the Governance Grid.</p> <p>Governance Grid KS advised that she had looked through the current governance grid adopted last year and would amend to include titles on every page and would review against the new paperwork prior to its circulation for adoption at the next Board meeting in March 2019. KS confirmed that the Diocese have also produced a grid based on the Scheme of Delegation, however, it is around 80 pages long and the DBMAC grid is a shortened version.</p> <p>Link Meeting Directors discussed the purpose of the link meeting and who its audience is. FL suggested setting up a Governor Board, to include all Principals, Chairs of LACs and Directors to meet 3 times per year. KS will inform Chairs of LACs of the change of personnel attending the meeting to allow Chairs to alert their governors. The next meeting would go ahead on 16th January 2019 and would include a presentation from GP regarding the financial statements.</p> <p>JS advised that she is drafting a message to primary schools to keep them updated with progress regarding the merger/expansion and re-brokering process in liaison with PC.</p> <p>Contract Negotiation ‘Executive Summary of Procurement of Cleaning Services for the DBMAC’ had been circulated prior to this meeting. Directors discussed and noted the difference between contract management and contract negotiation, acknowledging that managing a contract to the point of signature, and actually drafting and negotiating it are two difference processes. Directors agreed to appoint JS as lead Director to negotiate the cleaning contract alongside Virginia Moffatt (VM - Procurement and Contracts Manager/DBMAC). JS had been involved in the tender process attending the recruitment of the successful contractor. Directors stated that their expectation would be that JS and VM would work together to ensure the cleaning contract is negotiated with the respective contractor and that the final agreement would be circulated to Directors for final comment prior to its sign off.</p>	
11	<p>Minutes and Confidential Minute of last meeting held on 19th September 2018 The minutes and Confidential minute of the meeting held on 19th September 2018 had been circulated prior to the meeting, were agreed as a correct record of the meeting, signed by the Vice Chair and filed.</p>	
12	<p>AOB Headteacher recruitment for St Gregory the Great Catholic School ST left the room for this discussion. FMT confirmed that he is meeting with the LAC next week to discuss Headteacher recruitment. FL advised that Hannah Forder -Ball’s role is that of running the primary school which is expected to be line managed by the Head of School at SGG and will be exploring the banding of that role. Directors were clear that no appointment should be made unless it is for the right person to drive the school forward.</p> <p>Procurement Cleaning</p>	

'Executive Summary of Procurement of Cleaning Services for the DBMAC' had been circulated prior to the meeting. Directors noted that the report detailed the process, evaluation of bids, interview, recommendation and the final page itemised a breakdown of costs by contractor for comparison.

The cleaning tender was let in three lots:

Lot 1 – SJT

Lot 2- OL, SGG

Lot 3 – STM, OLOL and SJC

SJT had not been included in the tender as they have a long term employee who undertakes the cleaning and caretaking and is integral to the school community.

Interviews had now taken place following the tender process and recommendations as follows made:

Lot 1 – award to intelligent Workplace (subject to due diligence)

Lot 2 – intelligent Workplace (subject to due diligence)

Lot 3 – LC Housekeeping (subject to due diligence and improvements made at SJC)

JS assured directors that the interview/recruitment process had been a rigorous one and the companies selected to appoint pay their staff sick pay when off ill. VM had submitted the summary for signature from GC, FL and GP, however, directors did not see the need to rush to sign the summary, voicing concern that every time a signature is required it's always a rush job.

JS was appointed to work with VM with regard to ensuring the contract is negotiated and put in place. JS and VM will also ensure that directors receive a copy of the contract prior to signature, to comment on should they wish to do so. Directors were mindful of recent concerns raised over the catering contract, and were keen to avoid a repetition.

VM's recommendations were accepted and the summary accepted in principle subject to contract and would be signed at a later date for the records. GP was tasked with informing VM of the directors' decision to allow her to move the process forward to the next stage as identified below:

- i) the standstill period being completed without an appeal from another supplier. If an appeal is lodged it will be reviewed by a member of the Board and all bidders will be advised accordingly.
- ii) successful negotiations on the terms of contract conducted by JS and VM
- iii) successful completion of the due diligence process which will require you to send us documents referred to in the selection questionnaire. I will write to you about this shortly.
- iv) satisfactory resolution of the issues raised at St Joseph's Carterton, evidenced by monitoring in January 2018

Working Group MAC merger/expansion

'Finance Challenge posed by MAC enlargement strategy 14 November 2018' had been previously circulated to all members of the working group. AW raised the reports as an item of awareness noting that the PFMAC had discussed it briefly and informed those present that it would be discussed in more depth at the next working group. MR who wrote the paper had contacted GP to discuss.

	<p>Staffing issues at SJT GP advised that SJT wished to employ a Home School Link Worker (HSLW) on a part time basis and a Teaching Assistant to focus on SEN children. Directors asked what duties an HSLW would perform and whether part time hours were sufficient. FL advised that the HSLW would take on CAF/TAF, and work with nurture groups and disadvantaged children. Directors approved the posts and asked GP to inform the school.</p>	
13	<p>Dates of Forthcoming meetings Board – 27th March and 10th July 2019 Finance, Resources and Audit Committee – 27th February, and 26th June 2019 Catholic and Ethos Committee – 6th March and 15th May 2019 Curriculum and Standards Committee – 13th March and 3rd July 2019 Governor Board meetings – 16th January 2019 and 19th June 2019</p> <p>All meetings held at SGG at 6.30pm</p>	
14	<p>Review of the effectiveness and impact of the meeting Directors noted that strategically they had covered the management letter, annual report and financial statements and the ESFA Accounting letters. Auditors had attended the meeting to report on their findings evidencing that Directors had worked hard to bring about financial improvements.</p> <p>FL and the Standards and Achievement Committee had put support in place to help schools address curricular issues that might prove a barrier to raising progress and attainment. PC is arranging a visit with the LAC Chair for SJF to discuss governance support and training. FMT is working with Principals to reach out to parents and the wider community in engaging them in more Catholic activities.</p> <p>GC is meeting with CS to improve internal health and safety audits in all schools. Directors had taken note of the poorly managed catering contract and put measures in place to ensure that the cleaning contract was better managed by appointing JS to work with VM in pulling the contract together.</p>	
	Meeting closed at 8.40pm with a prayer.	

KS 16th December 2018

Actions from 13 December 2018 Meeting

Item	Action	Responsibility
2	Review the Finance Manual with regard to providing clarity around expectations regarding quotes and raising purchase orders	Finance, Resources and Audit Committee – 27 th February 2019
2	Arrange sign off of Annual Report and Financial Statements 2017/2018 and ensure report arrives at Critchleys well before Christmas break	GP/KS
3	Kitchen update for Finance, Resources and Audit Committee meeting 27 th February 2019	GP to task VM

8	Contact Rebecca Tonks at BDES seeking guidance with regard to whether the same solicitor can be used by DB/PFMAC to re-broker SJC	GP
9	Update Finance, Resources and Audit Committee regarding long term health and safety plan for SJC	GP
9	Update Finance, Resources and Audit Committee with regard to adopting LA Swimming Policy	FL
10	Review governance grid and incorporate director roles and responsibilities within it for Board meeting in March 2019	KS
12	Inform SJT of HSLW and TA approval	GP