

**DOMINIC BARBERI MAC**  
**MINUTES OF THE 24<sup>th</sup> DIRECTORS MEETING**  
**HELD ON TUESDAY 13 DECEMBER 2016 AT ST. GREGORY THE GREAT**

	<p><b>Present:</b> David Forster (F) (Chair)DF Gerald Crown (Parent) GC Sue McGarry (Staff) SMcG Marcella McCarthy (Principal) MM Virginia Moffatt (F) VM Father Mervyn Tower (F) (FMT) Khurshid Ahmed (Staff) KA</p> <p><b>Apologies:</b> Paul Concannon (F) (PC) Breda Bowles (Principal) BB Fraser Long (F) FL Peter Morrissey (F) PM</p> <p><b>In Attendance:</b> Georgina Paton (Business Finance Manager) (GP) Sue Smith (Clerk) (SS) Andrew Rodzynski, Audit Partner, Critchleys (part) Nicola Burgess, Audit Manager, Critchleys (part)</p> <p>The meeting opened at 6.30 pm.</p>	
1.	<p><b>Opening prayer, welcome and apologies</b></p> <p>FMT led a prayer and DF welcomed attendees to the meeting. Apologies were received and accepted. The meeting was quorate.</p>	
2.	<p><b>Declarations of pecuniary interest</b></p> <p>No declarations of pecuniary interest were expressed for the agenda items.</p>	
3.	<p><b>Minutes and matters arising from the meeting of 8 November 2016</b></p> <p>The minutes and actions of the above meeting were reviewed and signed.</p>	

4. **Finance, Staffing, Resources Committee**

(a) **Annual Directors Report and Company Accounts**

Andrew Rodzynski and Nicola Burgess from Critchleys attended to present the circulated Directors Report and Company Accounts. AR explained that their role is to produce accounts from information supplied by DBMAC, audit the figures, and prepare an assurance report on regularity following EFA guidelines. The accounts should be finalised this week.

The account show a deficit of £3.4 million in the movement figure for the year (page 28) but £1 million is depreciation and £1.4 million is the net value of the pension scheme.

Q: What do the pension figures actually mean in practice?

A: The figure in the balance sheet is the actuary assets in the fund and the estimated future payments to members of the LG scheme (monetary value on future payments in present day money). There is a review of all pension schemes every three years which will be next year.

Q: So this will increase and increase until all academies are in negative equity.

A: Potentially but the government will intervene before then.

Given where the DBMAC were a year ago the management position is in a much better state. Controls are in place to monitor expenditure, investments and pensions.

Q: Where does the EFA advance show in the accounts?

A: Page 40, note 16-17 EFA Creditor.

The figures for revenue reserves held by different schools appear in the notes of the accounts page 42 note 18.

Q: Why is there such a big deficit for SGTG?

A: The SGTG budget was already overspent because of redundancies and the primary school costs. These are cumulative funds and when you look at 2015 to 2016 costs at SGTG have reduced.

Q: Can we split the SGTG primary school budget out from the SGTG figures?

A: Not easily because SGTG is an all through school and the primary school has only been running for 3 years. The overhead costs are included in SGTG figures as are MM's and Carl's time.

Q: Does SGTG primary school have its own cost centre?

A: Yes, but only for some things.

Q: So SGTG is expected to make a loss of £488k?

A: Page 28 of management accounts shows the net income for the period as £104,209 + £69,675 less capital project money, depreciation and pension movement.

Q: So income does not mean cash?

A: No.

There will be potential for further savings when the effect of redundancies is felt. Accounts are in a better position and there will be a small surplus this year instead of £1 million deficit so going in right direction.

Critchleys advice is to comply with the recommendations on regularity, process and cost saving, good interim reporting to monitor overspending and target underspends. DBMAC are well supported by GP and her team and improvements have already been made to become fully compliant with EFA regulations in order for the financial notice to improve to be lifted in due course.

**(b) Management Letter**

Last year the DBMAC had 11 high risk items highlighted in the management letter, this year it has reduced to 6.

Nicola Burgess focused on the following points as high risk over the last two years:

Procurement – consistency for this has to be applied across all schools which will be partly addressed by the new Finance Handbook and with the appointment of the Procurement Officer to enable training for all staff.

Q: Why does the report say “no improvement”?

A: This does not relate to the current period where steps have been taken but the one before.

Authorisation of capital expenses – there was no clear evidence of authorisation for work carried out at SGTG and clarity about contracts. Section in new Finance Manual that covers capital expenditure.

Staff expense claims – some did not contain supporting documentation.

Credit/charge cards – although improvements on monitoring not all purchases were authorised.

The Finance Manual has started to address these concerns and the appointment of a Procurement Officer will allow targeted work to be undertaken with schools.

The DBMAC Finance Link Meeting on 11/01/2017 can be used to raise awareness to committees about the necessity of complying with the procedures in the Finance Manual.

Q: How can we continue to monitor this process through the year?

A: It will form part of the remit for the Internal Auditor starting in January 2017.

Payments and withdrawals – authorisation – agreed signatories need to be confirmed and circulated.

Other points that have not arisen this year, which previously had been high risk, need to be kept on the DBMAC radar.

Purchase invoice authorisation was high risk this year because there is no audit trail within the electronic system (PSF) being used at SGTG.

Q: Do the personal log ins not show who input them?

A: Not on the system (PSF) currently being used at SGTG.

Q: Is it possible to resolve this in PSF?

A: No, SGTG are going back to authorising by paper signature to allow flexibility and to provide an audit trail.

Q: Is this going to be a short term measure?

A: Not sure but will be reviewed.

With the appointment of GP, the introduction of the Finance Manual and recruitment of the Governance and Procurement Officers the company is going in the right direction.

Q: Can we look to have the financial notice to improve withdrawn after this year?

A: Why?

Q: Feel it is having a detrimental effect on school – parental/community view.

A: It's not like a school being in special measures. Focus for a success story when it is lifted.

The Trustees report can give a clear, strong message to all that the company have improved from a £1.5 million deficit to a £600,000 deficit over the year and that to have the notice lifted schools will have to do their bit.

Q: Why are Payroll records only a medium risk after the random sample showed 20% of contracts were unsigned?

A: All pay points were reviewed at the beginning of the year and all monthly payments are checked each month that salaries are in line with budget.

Q: Who is responsible for checking staff contracts are signed?

A: All new contracts have been issued and returned so it will be existing ones that may be unsigned. This point to be addressed during the next phase of the staffing review by DBMAC Finance Committee asking school committees to audit all contracts of staff employed by DBMAC.

**(c) Report from Finance Committee**

The Finance Committee met on 29/11/2016 to review accounts. Minutes of meeting to be circulated.

**(d) Confidential Item** - Recorded elsewhere.

**(e) Report from Business Managers' Meeting**

Minutes of the Administration/Business Managers Meeting on 16 November 2016 had been circulated prior to the meeting. Directors agreed that it was a useful forum for common matters to be discussed and expertise shared. The meetings take place 6 times a year.

**(f) Staffing Review**

Following discussion between MM/GP/PR and MM three options for the new leadership structure were tabled for consultation in the new year.

Q: Have these models been discussed with the Diocese?

A: The outline plan of clustering schools and lead Principals was shared at a meeting attended by DF and GP. A concern had been raised about potential cost.

Option 1 allowed for flexibility, progression and a way of developing Catholic leaders.

Q: What is the difference between Principal and Head of Teaching and Learning in school?

A: Name on Ofsted report, Principal deals with budget and HR issues, while Head of Teaching and Learning focuses only on educational matters.

Concern was expressed at whether any of these options would enable MM to have a manageable, sustainable workload and be able to improve SGTG. Concern about this had already been expressed by the Directors and the SGTG committee.

MM felt that with the strengthened central team to support her it would be possible.

This model would also perhaps fit the Diocese's vision of a SuperMAC.

Q: Is there anything as a Board that we could do to support MM's role/SGTG?

A: Because of budget constraints/reduced resources at SGTG there is no capacity to replace pastoral staff and MM felt the addition of 2 G8 Administrators would help to support the team and allow SLT to be freed up. MM was asked to draw up a proposal with this rationale to present to SGTG Committee.

**MM/GP**

Q: By rescheduling the loan to the EFA would this free up some resources that could be used to employ these people?

A: GP to look at figures as SGTG currently £40k down and pupil premium at the primary school is down by £12k.

Once DBMAC repay the loan to the EFA they need to start building up reserves to the agreed level for a company this size.

Option 2 was a similar cluster format but there would be an additional cost and not as flexible as Option 1.

Option 3 was more expensive, gave less room for expansion and unclear how easy it would be to recruit to the posts.

It was agreed that the vision of an Executive Principal was cost prohibitive at present.

	<p>Directors agreed to discuss these options further at the January 2017 meeting with a consultation period after then and implementation in September 2017.</p> <p>As EFA requested that the DBMAC restructure by April 2017 they will need to be told of the delayed plans.</p>	
5.	<p><b>Audit Committee</b></p> <p>(a) <b>Report from Audit Committee</b></p> <p>The Audit Committee met on 29/11/2016. Minutes of meeting to be circulated.</p> <p>(b) <b>Health and Safety</b></p> <p>No health and safety items had been raised.</p> <p>(c) <b>Safeguarding</b></p> <p>No safeguarding items had been raised.</p>	
6.	<p><b>Curriculum and Standards Committee</b></p> <p>(a) <b>Report from Curriculum and Standards Committee</b></p> <p>This committee met on 22 November 2016. MM circulated a report of the topics covered. Agreed to invite Principals to be part of this Committee for the future.</p> <p>Q: Did we get the revised data back from STM? A: No, not yet but MM to pursue.</p> <p>MM to arrange short training session in the 'bookmarks' assessment for this Committee and Directors in general to help them understand how data is arrived at and a clearer understanding of how the system worked differently across different schools.</p> <p>(b) <b>Principals' Committee</b></p> <p>MM not sure that Principals have met so far this year.</p> <p>Directors wished to minute their disappointment that these meetings had not taken place.</p>	<p><b>MM</b></p> <p><b>MM</b></p>
7.	<p><b>Catholic Life and Leadership Committee</b></p> <p>The Catholic Life and Leadership Committee will meet at 6.30pm on Tuesday 24 January 2017. Please send agenda items to FMT or SS. FMT would like to invite RE leaders in all schools to be part of this Committee. It was agreed that they should be invited to be Associate members of the committee.</p>	

<p>8.</p>	<p><b>Meeting dates for next term</b></p> <p>6.00 pm, Wednesday 11<sup>th</sup> January 2017 - Pay meeting (confidential item)  6.30 pm, Wednesday 11<sup>th</sup> January 2017 – DBMAC LINK Meeting  Annual Report and accounts, discussion about future structures</p> <p>6.30 pm, Tuesday 24<sup>th</sup> January 2017 - Catholicity and Leadership Committee  (RE leads from the schools to be invited)</p> <p>6.30 pm, Tuesday 7<sup>th</sup> February 2017 - Audit Committee  6.30 pm, Wednesday 22<sup>nd</sup> February 2017 - Academic committee  (All Principals to be invited)</p> <p>6.30 pm, Wednesday 8<sup>th</sup> March 2017 - Finance Committee  6.30 pm, Tuesday 21<sup>st</sup> March 2017 - Full Board Meeting</p> <p>6.30 pm, Wednesday 3<sup>rd</sup> May 2017 - Academic Committee  6.30 pm, Tuesday 16<sup>th</sup> May 2017 - Catholicity and Leadership</p> <p>6.30 pm, Tuesday 6<sup>th</sup> June 2017 - Audit Committee  6.30 pm, Wednesday 21<sup>st</sup> June 2017 - Finance (annual budget approval)</p> <p>6.30 pm, Wednesday 5<sup>th</sup> July 2017 - DBMAC LINK Meeting (BIG MAC)  6.30 pm, Tuesday 11<sup>th</sup> July 2017 - Full Board Meeting</p>	
<p>9.</p>	<p><b>AOB – None</b></p>	
<p>10.</p>	<p><b>Review of Effectiveness of the Meeting</b></p> <p>Although a long meeting management accounts and staffing review were significant items and needed thorough discussion and analysis. Rest of meeting focused and appropriate.</p>	
	<p>Meeting closed at 9.05pm with a prayer.</p>	

### Actions from 15 December 2015 meeting

	Action (with completion date)	Who	Outcome
9	All Principals/Business Manager minutes to be circulated to Directors and stored in DBMAC minutes mail box.	BB/SMcG /DF	Defer to Governance Officer

### Actions from 9 February 2016 meeting

	Action (with completion date)	Who	Outcome
3d	VM to discuss with BB what financial training is needed for Principals/Business Managers and arrange.	VM/BB	Defer to Governance Officer

### Actions from 12 July 2016 meeting

	Action (with completion date)	Who	Outcome
2a	Message from Directors to be drafted explaining how money in central reserves will be used.	GP	Ongoing Section in DBMAC Finance Manual
2d	All DBMAC policies to be reviewed in the Autumn.	Audit Committee	Ongoing
2d	GP/GC to request latest health and safety reports from all schools.	GP/GC	Ongoing
6B	Chairs of all committees to be emailed to request skills audits of their members and what training they need.	DF	Defer to Governance Officer

### Actions from 8 November 2016 meeting

	Action (with completion date)	Who	Outcome
2	Completion of Pecuniary Interests form	PC/FL/PM	Ongoing
4a	Procurement of Chartered Surveyor re: 10 year capital bid plan	GP	Ongoing
4a	Procure a specialist bid writer for CIF funding	GP/Carl	
5b	Investigate alleged electrical concerns at St Thomas More?	Carl	Ongoing
6	GC to give name of Brookes computing connection to MM	GC	Ongoing
11	Diocese to be contacted for further information on grand plan	SMcG	Ongoing

### Actions from 13 December 2016 meeting

	Action (with completion date)	Who	Outcome
4f	Proposal to be drawn up for support staff for Pastoral Team.	MM/GP	
6a	Revised data from STM to be returned	MM	
6a	Session on 'bookmarks' for Committee/Directors to be arranged	MM	

### Appendices (documents and reports discussed)

DBMAC Financial Statements for year ended 31/08/2016
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Account Adjustments v1 for year ended 31/08/2016
Critchleys Audit Report dated 13/12/2016
Restructuring within the DBMAC 13/12/2016
Minutes of Administration/Business Managers Meeting 16/11/2016
Report from Curriculum Committee 13/12/2016