

## WATERTON ACADEMY TRUST BOARD

### ANNUAL GENERAL MEETING

**DATE:**

Wednesday, 7 December 2016

**TIME:**

6.00 pm

**LOCATION:**

Walton Primary Academy

#### PRESENT

<b>Chair:</b>	Mr P Beaman	
<b>CEO:</b>	Mr D Dickinson	
<b>Directors:</b>	Mr G Bishop	Mrs H Mangham
	Mrs R Cook	Mr R MacNair
	Mr P Halliday	Mr P Wiehl
	Mr A Harpham	Mrs N Younus
	Mrs L Harrison	
<b>Members:</b>	Mrs A Kelcher	Mr D Westwell
<b>Headteachers:</b>	Mrs J Dunderdale-Smith	Ms H Padwick
<b>In Attendance:</b>	Mrs L Beavis (School Business Manager)	Ms M Lang (Auditor)
	Ms L Bower (Auditor)	Mrs P Mellor (Chief Financial Officer)
	Mrs V Collins (Chief Operating Officer)	Ms P Parker (Auditor)
	Mr S Johnson (Chair of Governors)	
<b>Clerk:</b>	Mrs E King	
<b>Apologies:</b>	Mrs C Thompson	

#### ITEM

#### ACTION

#### PROCEDURAL ITEMS

**1. WELCOME AND APOLOGIES**

The Chair welcomed everyone to the second Annual General Meeting of the Waterton Academy Trust. He welcomed the Auditors, GBAC to the meeting.

Apologies for absence were received from Mrs C Thompson.

**Directors' Consent to Absences Resolved**

***That Directors consent to the absence of Mrs C Thompson.***

**2. CEO REPORT TO DIRECTORS**

Mr Dickinson spoke about the growth of the Trust noting that this had taken place according to plan and that he was happy with the rate of growth. He reported that the Trust had kept to the ratio of 3:1 in terms of good schools / schools needing

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<p>support.</p> <p>Those present were advised that a recent review by the Regional Schools Commissioner had resulted in no issues with the Trust's finances and it was acknowledged that this was important in the current climate. Mr Dickinson said that the Trust had been subject to a lot of scrutiny but that this had all had a positive outcome.</p> <p>Mr Dickinson reported that he had received a Freedom of Information request which would be responded to.</p> <p>In terms of standards, it was noted that the majority of Trust schools had done well in the summer results and that predictions for the coming year were strong. Mr Dickinson commented that it would be a very positive year for the Trust if all outcomes were met.</p> <p>Finally Mr Dickinson noted that the Trust would not become complacent as there was always a pressure to keep standards high.</p>	
<p><b>3. QUESTIONS RELATING TO CEO REPORT</b></p>	
<p><b>Q:</b> How many schools are in the Trust now? <b>A:</b> There are seven schools. Two more schools have confirmed their intention to join the Trust recently; Wrenthorpe Primary and Cobblers Lane Primary School. A further application had been received from Ackworth Mill Dam J &amp; I School and due diligence was currently being undertaken. It was noted that new schools were anticipated to convert by May/June 2017.</p> <p><b>Q:</b> Is there a maximum number of schools for the Trust? <b>A:</b> Not as such. However there are only so many maintained schools in Wakefield now. The Trust is not actively seeking schools to convert but there is a push for existing MATs to take responsibility for Wakefield schools. The National Schools Commission wants to see larger MATs but this has to be manageable. From a Directors point of view 13/14 schools is an optimum number as there has to be a reasonable number of schools to create adequate revenue but school improvement will not be effective if a MAT gets too large.</p> <p><b>Q:</b> Is there a limit as to how many schools the Trust will take on in a year? <b>A:</b> The National Schools Commission undertakes a health check on the capacity of the Trust every time a level of schools is reached. We also have to consider the Local Authority's (LA) capacity to convert schools. The final consideration is with regards to the ability to undertake due diligence. A reasonable number is probably around one per term unless there are exceptional circumstances such as a school in need.</p>	
<p><b>4. AUDITORS REPORT</b></p>	
<p><b>Introduction and Engagement Matters</b> Ms Lang, Ms Parker and Ms Bower from GBAC Ltd were welcomed to the meeting. They presented the draft Trustees Report and Audited Accounts.</p>	

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<p>Ms Lang explained that the role of GBAC as independent auditors was to take a true and fair view of the Trust's financial position and to ensure that they were comfortable with these. She explained that the trustees report considered how the Trust operates and the internal controls in place. The Independent Reporting Accountants report provided limited and reasonable assurance as to how the Trust dispensed funds. This report would be provided to the Trust and to the EFA and would detail if funds had been spent as expected, if value for money had been achieved and if funds had been spent for the benefit of the children. Ms Lang thanked the Trust for their welcome to the Auditors and for their transparent approach.</p> <p>It was noted that there had been no issues but that some areas for improvement had been indicated. Ms Lang advised that this was not unusual and that the Trust was in a good overall position.</p> <p><b>Audit Process and Key Audit Matters</b></p> <p>Ms Parker then advised that any major comparative issues had accompanying explanations. She highlighted the following risks;</p> <ul style="list-style-type: none"> <li>- Management Override which was necessary due to the nature of MATs;</li> <li>- Transfer of Assets – always a large figure;</li> <li>- Completeness of Income – this had been reduced due to DFE/EFA regulations;</li> <li>- Materiality; anything above this figure would need to be adjusted – the figure was £84k this year;</li> <li>- Substantive Testing – a defined number of transactions had been tested for each area to ensure a representative sample;</li> </ul> <p>In terms of Audit Matters the following items were noted;</p> <ul style="list-style-type: none"> <li>- Pension Scheme Liabilities – this had increased considerably;</li> <li>- Related parties; no threshold.</li> </ul> <p><b>Review of Period – Inherited Assets</b></p> <p>Disclosures; the difference between the Education Funding Agency (EFA) and LA valuation of property was discussed and the resulting devaluation explained.</p> <p><b>Q:</b> Is this likely to happen regularly? <b>A:</b> Yes.</p> <p><b>Q:</b> How can we do this differently? <b>A:</b> We can discuss the value with the EFA. The LA figure is different as it is based on a re-build cost.</p> <p>It was noted that there was a 12 month period following the valuation to find the real value of property and that adjustments were possible. Ms Lang acknowledged that this was an acceptable process.</p> <p>A question was raised about a difference in figures between the Trustees report</p>	

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<p>and the full Financial Report. Ms Lang confirmed that this was due to amounts that were recharged as opposed to full income.</p> <p><b>Review of Period</b> It was highlighted that note 15 was incorrect. The unrestricted funds were confirmed as £9,543,172. This significant difference was attributed to the number of schools coming into the Trust and the increased pension liability. Ms Lang commented that the pensions issue was a national one and that the cost was not an immediate cash-flow issue but that the Trust would need to be mindful of growing funds to close the gap. It was noted that this was likely to be via increased pension contributions. It was also noted that the Trust would need to manage its staff costs against the budget.</p> <p><b>Q:</b> Why have pension figures not doubled? <b>A:</b> Actuaries figures have reduced meaning funds have to work harder.</p> <p><b>Internal Control and Draft Letter of Comment</b> Everyone was asked to read and understand the accounts.</p> <p><b>Q:</b> What does the term 'no un-adjusted misstatements' mean? <b>A:</b> Some figures will be adjusted and this will be in discussion with the Trust CEO and CFO.</p> <p>Ms Lang reported that only matters from the current year would be included and that the Trust had significantly improved from the previous year following the appointment of a full time CFO.</p> <p>Salary errors made by the LA had resulted in additional checks being made. The additional rigour put in place had benefitted the Trust.</p> <p>It was noted that VAT legislation had changed and that not all schools dealt with this in the same way.</p> <p>An issue with School Funds being transferred and updated on the Trust system regularly was also highlighted.</p> <p><b>Q:</b> Why has this not been done? <b>A:</b> It was due to a problem with authorised signatories.</p> <p>Those present noted that additional audits would take place through the year on salaries and pensions. In addition it was highlighted that a plan was in place to bring all finance reporting in Trust schools in to line.</p> <p>Ms Lang confirmed that these points would be added to the report before submission to the EFA. It would then be published on the Trust website with a week allowed for any comments.</p> <p><b>Q:</b> With regards to the salary errors, does the LA still need to be involved in the process?</p>	

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<p><b>A:</b> The LA was retained to ensure smooth transition and payment of salaries. Now that the Trust has developed, the Service Level Agreement (SLA) is under review.</p> <p><b>Q:</b> Are there any other LA SLAs?</p> <p><b>A:</b> Governor Services has been retained but we are looking at savings and cost efficiencies with other SLAs across the Trust.</p>	
<p><b>5. QUESTIONS ARISING FROM AUDITORS REPORT</b></p>	
<p>This item had been covered throughout Item 4.</p>	
<p><b>6. APPOINTMENT OF AUDITORS</b></p>	
<p><b>Resolved</b> <i>That GBAC be appointed as auditors for the following year.</i></p> <p>The Chair praised GBAC for their clarity and communication with the Trust.</p>	
<p><b>7. ANY OTHER BUSINESS</b></p>	
<p><b>Q:</b> Will the Trust expand geographically?</p> <p><b>A:</b> There are no plans to expand beyond the Wakefield District at present but in the future this may be considered if Heads and Directors are comfortable with this. Factors noted included travel time for staff.</p> <p>Those present commented that the Trust had grown to its benefit and that all schools involved shared the same ethos and like-mindedness.</p> <p>A question was raised about a further funding request from the LA. The CEO confirmed that there were currently three funding streams available to schools; School, High Needs and Special Educational Needs. It was noted that the LA was proposing to take £1m from the Schools block to place into the High Needs block. The CEO confirmed that this would equate to £8k per school in the Trust. The CEO reported that he had made a response, on behalf of all Trust schools, to the Chair of the Schools Forum and to John Wilson, Corporate Director, Children &amp; Young People.</p> <p><b>Q:</b> What is the Trust provision for SEN children, given that some children do not fall officially into this bracket?</p> <p><b>A:</b> This is not dictated by the Trust – it is an external funding stream. A lot of schools contribute money from their own budget to support children who are pre-EHCP stage. It was noted that money is ring-fenced for certain blocks but that alternative provision was not being met in the majority of cases – this was a common issue across schools.</p> <p><b>Q:</b> Is there a Trust SENCo?</p> <p><b>A:</b> An inclusion group has been set up.</p> <p>Mrs Collins then raised that the Company Secretary needed to be changed from Mrs S Christian to herself.</p> <p><b>Resolved</b> <i>That Mrs V Collins be named as the Company Secretary.</i></p>	

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<p><b>Q:</b> Is there any update on the Trust offices?  <b>A:</b> A meeting has been held with the LA and the premises formally occupied by Charlston Children’s Centre have been identified as suitable for this use. A report was due to be taken to Cabinet in December 2016 but this has since been delayed to January 2017. There is currently an Easter deadline for this move to be completed.</p> <p>It was commented that the premises would also be used for community activities and that the delay in acquisition was therefore preventing community access to these services.</p> <p>Mr Dickinson suggested that those present may wish to visit Normanton Junior School to see the transformation of the school since conversion.</p>	
<p><b>8. CHAIRS CLOSING REMARKS</b></p>	
<p>The Chair commented that the Trust had moved a long way in a short space of time and that all those involved should feel very proud and should congratulate themselves on its success. New schools were welcomed as part of the team and thanked for their input. It was acknowledged that there would still be challenges ahead but that there was confidence in the central team to deal with these. The CEO and his team were thanked. Final thanks were given to GBAC who in turn thanked the Trust for being so welcoming.</p> <p>The meeting was closed.</p>	
<p><b>MEETING CLOSE TIME: 8.00 pm</b></p>	

CHAIR