

The Harmony Trust

Board of Trustees

Meeting – 25 November 2019, 6.00 pm

Approved minutes

	Present	Action lead	Action date
	<p>Paul Makin (Chair), Philip Moulden, Graham McGuffie, Olwyn Smythe, Kit Thorne, Anne Weinstock, Norman Hole, Marian Simmons</p> <p><u>In attendance:</u></p> <p>Suzanne Thompson (Chief Financial Officer) Jane Green (Director of Strategic Initiatives) Tracey Mellor (Head of Operations) Wendy May (Head of Data and Safeguarding) Stephen Grayson (External Auditor – UHY Hacker Young) Andrew Jones (Conatous Associates Ltd – Clerking services)</p>		
1	<p><u>Apologies for absence</u></p> <p>Apologies were received and approved from Ashley Forbes, Sajen Bakht and Antony Hughes (CEO).</p> <p>It was noted that Sara Bashir had resigned, in writing, as a Trustee due to work commitments. The Clerk will write to Sara to thank her for her contribution.</p>		
2	<p><u>Presentation of draft annual report, financial statement and auditors' reports</u></p> <p>Stephen Grayson, external auditor, of UHY Hacker Young, attended for this item. The accounts and auditors report had previously been circulated to Trustees. Key points:</p> <ul style="list-style-type: none">- P31 of the accounts includes some schools which are new to the Trust – the figures include the valuation of the land and buildings- The GAG funding has increased with the new schools joining – costs have also increased.- Some of the outgoing funding costs relate to depreciation		

	<p>of assets and, also, pension deficit costs.</p> <ul style="list-style-type: none"> - The “operational deficit” for the Trust is c £140k – in an organisation the size of the Trust this is, virtually a break even position - 70% of the expenditure this year is on staff costs/wages (up from 70% last year) - The average wage cost (including on-costs) is c £29k per employee – this includes pension costs – this is well managed. - There is a healthy funds balance of c £61m - Also includes income from the Trust’s trading company. - P33 includes the 3 main balances – buildings; cash, pension deficit - The cash position has improved since last year – this includes some provision for funds which may need to be re-paid. - The pension deficit balance has increased since last year. Part of this increase is due to new schools starting and, also, current pension valuations. This is not deemed to be high risk. The pension deficit figure is based on future projections. - P49 includes the statement on available funds. The key indicators are revenue funds and unrestricted funds. - The auditor’s management report includes a small number of findings – while some are carried forward from last year’s report, others relate to new schools joining. - On P11 the key audit risks are set out. Some of these are mandatory. No other key concerns were noted or raised. - A small number of related party transactions were noted but these are in line with regulations. - Section 4 of the report makes 8 small recommendations that are either classed as being medium or low risk. - No material weaknesses or irregularities were noted in relation to the Trust’s income. One minor instance of non-compliance with the AFH (relating to a purchase of an item worth £18) was noted. The purchase was a gift which had been given to a volunteer who had undertaken work which had saved the individual Academy £3000. While minor, the CFO assured Trustees that this would not be repeated. - A model chart of accounts has been provided by the DfE but the Trust has not yet adopted this as it required re-training for newly joined Academies. This would be considered again in future. - Some adjustments had been made to the accounts to take into account staff transfers to the trading company and the fixed assets valuation for Carlyle. - At the back of the management report is an update on 		
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	<p>issues raised last year.</p> <p>Points and issues raised by Trustees:</p> <ul style="list-style-type: none"> - What risk is presented by the increased pension deficit. - Whether pension deficit risks and issues feature in the due diligence process for new Academies. - What documents are scanned and approved for transactions. <p>Trustees noted and accepted the auditors' recommendations.</p> <p>The Board thanked Stephen Grayson and his team for their work for conducting the audit, in preparing the accounts and the management report.</p> <p>The annual report, financial statements and</p>		
3	<p><u>Minutes and Matters arising from previous meeting</u></p> <p>The minutes of 14 October were accepted as a correct record except for page p6 – complaint should read compliant.</p> <p><u>The following matters arising were discussed:</u></p> <p>Page 3 – the application by Arbourthorne and Gleadless Primary Schools had been approved by the RSC HTB.</p> <p>Page 4 – Trustees requested that training be provided on the new Ofsted framework</p> <p>It was agreed that the Trust Team would develop a forward plan for Trustee meetings. Trustees suggested that the forward plan could, also, include training needs.</p>		
4	<p><u>CEO Report</u></p> <p>The CEO was not in attendance to present his report. The Trust leadership team attending were available to answer any questions.</p> <p>Key points raised by Trustees and the Trust Team:</p> <ul style="list-style-type: none"> - The Standards and Performance Committee had discussed performance in non-core subjects which was relevant to the new Ofsted framework “deep dives” – this would be discussed at the next Board meeting. - Trustees asked whether there is a format for focused Trist inspections. - Trustees are encouraged to visit the Trust’s Academies to see activity directly. 		

	<p>- Trustees discussed the capacity within individual Academies to support high numbers of children with EHCPs.</p> <p>Trustees asked that their thanks be conveyed to the CFO, the finance team, and the wider Trust team dealing with finances for their work on the audit and regular ongoing work in managing the Trust's finances.</p>		
5	<p><u>Academies Financial Handbook</u></p> <p>The CFO had previously circulated a summary of the top 10 Academy "musts" contained in the Academies Financial Handbook.</p> <p>The CFO is confident that the "musts" are being complied with. The earlier audit report had not raised any issues with compliance with the "musts".</p>		
6	<p><u>SRM Self-assessment</u></p> <p>The self-assessment had been completed. As a next step, the curriculum led financial planning model was being worked through. This would lead to a dashboard for each Academy consolidated into one report.</p>		
5	<p><u>Any Other Business</u></p> <p><u>Safeguarding and GDPR training</u></p> <p>The Chair noted that the Trust's safeguarding adviser recommended an extended training session on safeguarding. It was agreed that this would precede an existing Board meeting or be provided as a webinar. This would be included in the Trust's forward plan. There is a similar requirement for GDPR. This would also be picked up.</p> <p><u>Start times of Committee meetings</u></p> <p>The Head of Data and Safeguarding raised an issue about access to the site for meetings starting at 4.00. It was proposed that the meeting starts at 4.15 in future to ensure that safeguarding requirements on the site can be met. Trustees agreed to amend future committee meeting dates.</p> <p>There being no further business, the meeting closed at 19.17</p>		