

**Minutes of the Operations Committee Meeting**  
**Held virtually via Zoom on 20<sup>th</sup> February 2024 at 10am**

Invitees	Role	Attendance
Sarah Bellingham (SB)	OLT Governance & Communications Officer	Present
Jodie Croft (JC)	Board Director and OLT CEO	Present
Carina Cuddington (CC)	CFO (Edufin)	Present
Beth Gorsuch (BG)	OLT Chief Operating Officer	Present
Alison Hill (AH)	Board Director	Present
Tyler Jeffs (TJ)	Board Director – <u>Chair</u>	Present
Arjun Thiru (AT)	Board Director	Present

**Minutes**

**1. Welcome, identify AOB, & declare conflicts of interest relevant to the agenda or updates to the Register of Business Interests to include hospitality**

- 1.1 JC welcomed everyone. AH had sent her apologies in advance to confirm that she would be attending at 11am.
- 1.2 No-one declared any conflict of interest in relation to the agenda items or any updates for the Register of Business Interests.
- 1.3 The meeting was declared quorate (noting the requirement for at least three Board Directors). It was confirmed that the scope of internal audit approval item would be moved to later in the agenda, to ensure that AH was present for the correct quoracy for this matter.
- 1.4 BG requested that she bring the latest OLT internal audit report to the Committee's attention. She had circulated the report prior to the meeting, as soon as received by her. It was agreed to cover this at agenda item 4.

**2. Receive previous committee minutes and discuss actions not on the agenda elsewhere**

- 2.1 The Committee approved the Operations Committee minutes of 28th November 2023. SB would organise for the approved version to be signed by the Chair and would upload it to the website, together with the current meeting's attendance and the agenda. **ACTION – SB**
- 2.2 The actions from the last meeting were either completed, in progress, or within the current agenda.

**3. Review and make a recommendation to the Board on the appointment of the External Auditors, and review and approve the appointment of the Internal Auditors**

**3.1** BG confirmed that Kreston Reeves ('KR') were the current external auditors.

**3.2** **Q:** How long had this been the case?  
**A:** KR had been in place for two years.

**3.3** **Q:** Was this on a three-year contract?  
**A:** This had initially been on a one-year contract, based on the Trust's experience of the previous external auditors. JC and BG were reviewing the arrangement annually.

**3.4** **Q:** How was the arrangement working and did the Trust want to consider another auditors' firm at this time?  
**A:** BG confirmed that she had been pleased with the work to date. TJ added that he had seen no issues arising. JC confirmed that her experience was that so far they had been supportive and fair in their dealings with the Trust.

**3.5** **Q:** What about their fees?  
**A:** These had gone up this year by 5%, but many other firms' fees had risen, and it had not been unexpected. TJ confirmed that this was very reasonable given his experience of firms' fee increases recently.

**3.6** **Q:** Was there a value in entering into a longer-term contract with KR, albeit continuing the annual review process?  
**A:** TJ confirmed that the Trust should be carrying out a re-tender process at the three-to-five-year point with any external auditing firm.

**3.7** It was agreed by all that a re-tender at the five-year point would be fine, if the annual reviews continued to show that the firm were continuing to do a good job and were fair on fees. It was noted that the main point around retendering was to avoid having too comfortable a relationship.

**3.8** The Committee had no further questions and the Directors agreed to recommend to the Board that the Trust continue with the appointment of current external auditors, KR, for the Board to review and make a recommendation to the Members on this point. SB would add this to the agenda for the March 2024 Board Meeting. **ACTION - SB**

**3.9** The Committee discussed the performance of the internal auditors, UHY Ross Brookes, to date. The Directors agreed unanimously to the continuation of the appointment of the internal auditors for a further academic year.

**4. Agree Scope of Second Cycle of the Internal Audit (Summer Term 2023-2024) & confirm the agreement reached unanimously in writing about the scope of the first internal audit cycle (Spring Term 2023-2024)**

*Scope of Audit – Second Cycle - Summer Term 2023-2024*

- 4.1** Income had been the scope of the internal audit process just done. There had been a recommendation by the auditors for 'governance' to be the scope of the second internal audit this academic year. The document with more information about the potential areas for the scope of the next audit had been shared in the folder on Governor Hub and was being shared on screen for everyone to see.
- 4.2** It was noted that Director, AH, had not yet joined the meeting and that Director, JC, would not be part of the approval process due to her CEO role. The Committee would update AH with the matters discussed here when she had joined the meeting, to seek her view and approval.
- 4.3** TJ confirmed that he was happy for the scope of the next internal audit to be governance, in light of the areas of scope of the previous audit cycles.
- 4.4** **Q:** Did TJ need to write out a proposal document for this like he did in December for the previous audit cycle?  
**A:** TJ said that he would be happy to do this again, although noted that it had been necessary to seek Director approvals to a written proposal following the November 2023 Committee meeting due to a lack of quoracy. BG confirmed that it was standard for the Committee to approve the overview scope of audit area and for the auditors to propose the detail to be scrutinised within that scope.
- 4.5** **Q:** How many internal audit cycles took place each academic year?  
**A:** Governance had been proposed as the scope for the internal audit for the summer term, i.e. in April/May 2024. The external audit took place each autumn term, with the two internal audits taking place each year in the spring and the summer terms. Also, in the summer term the Trust underwent its LGPS and TPS end of year scrutiny.
- 4.6** The Committee discussed that a potential scope for the spring term 2025 internal audit could be census returns. TJ confirmed that he had done some internal scrutiny work on that in his professional role and thought it would be helpful. However, he advised caution on the focus area(s) and data the Trust would ask the auditors to review, to ensure that there was sufficient expertise underpinning the accountants' views.
- 4.7** **Q:** Had the area of census returns been suggested in the document shared with the Committee?  
**A:** That was not clear. Perhaps a useful area would be to focus on how the Trust planned for its pupil numbers, to include what data it took into account.
- 4.8** TJ and AT agreed that it would be sensible to agree on governance for the summer term 2023-2024 scope, and to ask the auditors at this stage what a potential pupil census return scope of audit might look like for the first audit of the following academic year.
- Confirm unanimous agreement reached in writing to the scope of the first cycle of the internal audit – Spring Term 2023-2024*
- 4.9** The Committee re-confirmed its unanimous agreement to the scope of the first internal audit cycle, which had been completed in writing and which details had been included in the folder for reference.

*Receipt of OLT Internal Scrutiny Report February 2024 from UHY (Ross Brookes) together with List of Tests Carried Out, and Internal Audit Responses documents*

- 4.10** BG had uploaded three documents to the folder for the Committee's attention: one was the auditor's report following the first audit cycle this academic year. The other two concerned the audit tests carried out and the Trust's proposed responses to the points raised in the report.
- 4.11** The responses document was shared on screen. BG reported that the auditors had confirmed that overall, they were happy with the Trust's performance in this area, given the sound and effective system of controls in place. Only six minor issues had been identified for action, four of which had received a 'low risk' label and two a 'medium risk' label.
- 4.12** The main medium risk issue was one which had already been identified by the Trust, concerning income at TPA and the process for chasing 'parent debtors' in relation to money owed for clubs and trips. A better system was being worked on, such as moving to 'Arbor' which would ensure that school clubs needed to be paid for at the time of booking rather than by separate invoice.
- 4.13** The other medium risk point concerned financial controls. Income had been 'mis-posted' in certain areas across all schools. This had now been rectified and going forward the Trust would be centralising some of finance function for all schools with Edufin's assistance to help manage this. The Office Managers would still be working in compliance with the Trust's Finance Manual in terms of matters like procurement and signing off invoices, however Edufin would take on several processes formally under the Office Managers' remit.
- 4.14** **Q:** What had been the issue?  
**A:** Whilst a correct record had been made by the schools of the amounts of the income in question, the amounts had been recorded under the wrong code on occasion. An example was recording breakfast club income as school trip income. TJ confirmed that in his experience this was quite easy to do.
- 4.15** JC explained that with the Trust's schools filling up and reaching capacity, the Office Managers were under increasing pressure day to day. Edufin were able to assist with various administrative process to ensure greater accuracy and enhanced responses to queries. The additional service received would include bank reconciliations and credit card reconciliations. The extra cost would be borne by the schools but had been agreed as the right next step to avoid the schools needing an additional member of staff per school. That would be more costly.
- 4.16** AT and TJ confirmed that they were happy with this approach, which sounded very useful. They agreed that there appeared to be no major issues from the audit report. At and TJ and JC all happy. BG said that she would share the updated responses document once she had received further information requested from the Office Managers.

*Additional discussion at 11.17*

- 4.17** For AH's benefit this agenda item was revisited at 11.17. TJ and AT described what had been discussed in relation to the proposed scope of the second cycle of this year's internal audit.
- 4.18** AH confirmed that she was also in agreement that the scope of this second internal audit cycle be 'governance' and that the Trust would ask the auditors for their suggested scope of an audit covering pupil census returns in the 2024-2025 academic year. The audit scope was therefore confirmed as approved by the Committee.
- 4.19** AH was also shown the draft audit responses document for information. It was noted that the responses had already received Committee approval, however AH was comfortable with what she had seen and had nothing further to add.

## **5. Review outcomes of benchmarking exercise**

- 5.1** JC shared her benchmarking analysis data on screen.
- 5.2** She confirmed that similar data had been produced by the DfE the previous year, however that had not been received this year. The DfE's data had set out a 'RAG' rated graph comparing schools in a similar context and had flagged that the Trust was spending an unusually high amount on supply staff. If JC received benchmarking data from the DfE she would share this with the Committee.
- 5.3** The current report and data from Kreston Reeves for the 2022-2023 academic year was reassuring. The OLT data could be seen in the right-hand data column. It made comparisons with similarly sized academy trusts so was useful, although it included secondary school data so was not directly comparable.
- 5.4** Nothing significant had come up here. Everything was low to mid-level. The data likely reflected that the Trust still had a school which was half full, impacting on teacher to pupil ratios and premises costs as linked with income received on a per pupil basis. The following year would show a similar picture given the size of Sires Hill Primary Academy and the buildings works ongoing.
- 5.5** **Q:** Did the cash in the bank figure include or exclude the money invested in the bonds?  
**A:** That included the money invested in the bonds. There had also been an injection of capital for Sires Hill which had artificially inflated the figures.
- 5.6** TJ confirmed his view that this was a strong picture. It reflected that cash in the bank was invested where possible to generate returns for the Trust and its schools. In general, small academy trusts were struggling in general. This one was not and was doing quite well.
- 5.7** CC joined the meeting at 10.42.
- 5.8** **Q:** Had there been any news on what GAG was looking like in terms of a percentage increase?  
**A:** JC said that she had not seen any data on this. CC said that whilst the national figures had been released, she had not yet seen local authority top slice data.

**5.9 Q: Looking at the staff cost ratio data, did that mean the Trust had more junior staff?**

**A:** Yes, it did. This reflected the fact of the Trust growing as it was and also that it did not have a large historic body of older or more experienced staff hitting more costly positions. It also reflected the half-full position at WPA.

**6. Receive annual report on effectiveness of web filtering processes at each school (KCSinEd 2023)**

**6.1** BG confirmed that she had circulated two reports from external consultants 123 ICT.

**6.2** The web-filtering system was now working at DPA and WPA. The school's Designated Safeguarding Lead ('DSL') received a weekly alert, and a full report was generated on an annual basis or more often as requested.

**6.3** The filtering system was set up at both schools so that if anyone keyed in a certain term, it would appear in the alerts and reports, with the pupils or adults in question identified.

**6.4** In summary, many of the keystrokes were not obviously problematic or at least could potentially be linked with legitimate lines of enquiry. However, some were more concerning.

**6.5 Q: What was each school doing with the information it received?**

**A:** The information was going to the Heads and the DSLs but BG would now be asking what they did with this and looking to see if there were any trends or patterns at one or more schools. **ACTION - BG** The system had only been implemented in the summer term, so this was the first report generated for each of the schools.

**6.6** JC said that she was confident that each school's safeguarding team would be dealing with these outcomes and that the school's behaviour policy would be followed if any matter was not a safeguarding one. The Committee agreed that it was helpful to be able to pick out any bigger issues such as potential racism or prevent duty issues.

**6.7** BG explained that the system was still in the process of being set up a TPA, as the broadband provider was blocking it. This may mean that the web filtering and protections at TPA were already very strong.

**6.8** The Committee agreed that it was important to have the reports generated in the same format at each school so that it was clear which pupils or individuals were being identified and if these were the same or different each time, as well as ensuring that the data could be used in a meaningful and consistent manner.

**7. Receive estates conditions data and review strategic priorities; review benchmarking data – annual spend on electricity and gas and annual spend on estates**

**7.1** BG explained that this benchmarking and estates conditions data was in her Compliance Report, circulated prior to the meeting and now being shared on screen.

**7.2** The Trust's estates policy had been updated to include a new approach as required by the DfE's latest estates management guidance. As part of this, the Trust now needed to obtain

benchmarking data for the utilities used by the schools and also keep records of how much was being spent on the upkeep of buildings and equipment to help flag issues. BG had already contacted the Trust's external maintenance service provider at the schools to request reporting on matters such as asset conditions and life cycles. This would help with budgeting for maintenance, repairs, and replacements. The Trust wanted to be more effective and consistent with its estates spending.

- 7.3** The impact this process would have on future budget setting would be significant. The Committee agreed that this looked extremely sensible. The updated policy mentioned would be discussed in more detail later in the meeting when it came up for approval.

## **8. Receive Management Accounts for January 2024**

- 8.1** The following documents had been circulated in advance of the meeting, dated January 2024, for the Committee members to review:

- Executive Summary
- Balance Sheet Summary
- Cashflow
- DPA Management Report
- SHPA Management Report
- TPA Management Report
- WPA Management Report
- Omnia Management Report

### *Executive Summary*

- 8.2** CC shared the Executive Summary on screen. She explained the key information included in this summary document and in the management reports she had circulated, which included an explanation of the Trust's and each school's position in relation to in year surplus or deficit positions, reserves, carry forward balances, outgoings such as staffing and energy costs, capital budgets, and receipt of government grants and other income.

- 8.3** A copy of the table of information within the Executive Summary would be pasted into a confidential annex to these minutes for the Committee's reference, per audit requirements.

- 8.4** The Committee members were asked if they had any questions.

- 8.5 Q:** Was any more money coming in for the teachers' pension uplift?

**A:** The DfE had said it would be fully funded but had not yet announced the amount of that funding. It was likely to be on a per pupil basis. It was not expected to have a significant impact on the budget. The increase started on the first of April, going from 23.68% to 28.68%.

- 8.6 Q:** Was that increase already in the budgets?

**A:** Yes, but the funding had also been factored in. Overall, there should not be a great impact here. The DfE had confirmed it would be funded.

- 8.7** Overall, the Trust was in a very strong position. CC referenced the forecasted total reserves at the end of the year, as well as the investment of these and the returns.

**8.8 Q:** Did the forecasted reserves include the invested funds?

**A:** No, the reserves did not include the cash in the bank. It was a similar position though.

*Cashflow Forecast*

**8.9** CC referred to the Cashflow Forecast and explained that this was an overview document. Key elements to cash flow included salaries and the cost of capital projects. The document showed the closing balance in cash based on the timings of money spent and received overall. The lowest position for the closing balance moving forward was the first of March 2024. March was always lower as various funding streams were received from April onwards each.

**8.10 Q:** Were the Committee looking at the opening balance or the closing balance?

**A:** The total bank balance was at the bottom of the page. The closing balance was what was immediately available in the bank account. The investment bank balance was held away. The closing balance was the one to look at for how much was surplus to requirements and could be invested.

**8.11** At the moment, CC was very comfortable with the Trust's position in terms of its investment strategy. There were a number of options for increasing investment and increasing returns.

**8.12** AH joined the meeting at 11.03.

**8.13** The Committee had a detailed discussion about the range of investment options available, to help assess how much more could be invested to increase returns and maximise on the impact of potentially falling interest rates.

**8.14 Q:** What were the risks of investing the amounts of money being discussed?

**A:** CC explained that the risks were of any unforeseen costs the Trust incurred. Capital works were funded by the Trust and it would know in advance what these were forecasted to be.

**8.15 Q:** Had all invoices been received for SHPA?

**A:** BG would double check with the finance and office manager, but thought that there were no more orders to be made at this point in terms of items like furniture and equipment.

**ACTION – BG**

**8.16** Based on the Committee's discussion, TJ confirmed that he was in support of investing more during the remainder of the academic year based on the lowest cash in the bank position.

**8.17 Q:** What was the likely return?

**A:** JC would explore this and provide the figures. She would include the option of putting money away on a month return basis. CC commented that the risk of that approach was essentially nil, if the Trust could afford salaries from GAG funding.

**8.18 Q:** Was full Board approval needed?

**A:** The Trust needed to follow its finance and investment policy. Board approval was certainly likely, meaning that JC would need to bring an investment proposal to the next Board meeting. **ACTION - JC**

**8.19** BG explained that she had opened up the Trust's investment policy at this point in the meeting, and it was clear that Board approval was required.

**8.20** AH confirmed that based on the discussion, she understood that the returns from month-to-month and longer-term investing were not significantly different, so it seemed sensible to invest on a month-to-month basis.

*Balance Sheet:*

**8.21** CC said that there was nothing of any concern, and no significant debt.

**8.22** The Committee agreed that it looked fine.

**8.23** **Q:** On parent debtors in relation to school clubs and similar, was this a concerning figure? It had been picked up by the auditors.

**A:** CC said that this would depend on how much this amount was and asked BG to provide an estimate. For example, was this between £5-10k, or between £10-20k across all schools?

**8.24** BG explained that the Trust was moving to new systems to manage this issue better. She provided an estimate of what had not been paid by parents since 2021, which was in the range of £20-30k.

**8.25** **Q:** Was that three years old?

**A:** BG explained that a report had been run dating back to 2021, providing the headline figure for the total unpaid sums.

**8.26** **Q:** Was this cumulative?

**A:** Yes. It was everything, and included voluntary contributions for trips. For just the one school.

**8.27** **Q:** What about the other schools?

**A:** They showed much less than that. For example, at WPA and DPA monies owed for wrap around care were in the hundreds. BG had already asked the office and finance manager at DPA to see what was owed for residential trips for the previous year. That was not looking at voluntary contributions. WPA had only just done its first residential trip and it had been fully paid.

**8.28** The Committee acknowledged that unpaid voluntary contributions could not be recouped but that there was some work to do there.

**8.29** CC explained that at present, the Trust was not reporting those debts in the system as it was logging that income on a cash basis. Edufin having access to those systems would be helpful in future, so that it could see this data better and ask the office manager to

chase where important. The schools should be looking at payment plans as early as possible, and the situation at TPA should be monitored especially.

**8.30 Q:** Did the schools have card machines for parents to pay?

**A:** BG thought two of the schools did.

**8.31** CC recommended exploring different payment systems. For example, schools could use booking systems which required payment at the time of booking, such as via Arbor.

**8.32** BG had already spoken with the office and finance manager at WPA who had moved to booking via Arbor. This now meant that payment was required at the time of booking unless the parent was using childcare vouchers. Childcare voucher payments was only 10-15% of unpaid amounts.

**8.33** It was discussed that it would be interesting to see if it was the same parents clocking up unpaid amounts. It was agreed that the Trust should support parents in terms of administration and expectations around payments and costs.

**8.34** The Committee had no further questions and the Directors were happy with the accounts.

**8.35** CC left at 11.17.

## **9. Review of spending linked with educational priorities**

**9.1** JC explained that in line with the Trust's estates strategy, it would be reviewing its digital strategy. The Trust wanted an overall strategy for the use of ICT, in terms of it planning for costs, and future proofing schools for software and communications.

**9.2** The Trust had a partner company, 123 ICT, which was already providing technology support to all of the schools. JC planned to set up a digital taskforce and source help with the strategy.

**9.3** There was a lot in place already, so it was partly about pulling everything together, for example, having a database of information about all of the technology in use, to include life cycles, costs, emergency strategy, and plans for replacements.

**9.4** There was more detail to come. JC planned to give a digital strategy presentation in the autumn term. This might fall within a broader estates strategy or might be separate.

## **10. Receive COO Compliance Report**

*Covering: IT/GDPR, financial audits, HR, H&S (external audits, WRA, FRA), staff absence, premises, safeguarding (SCR audit & LADO audit), & policies review*

**10.1** JC thanked BG for her detailed report.

**10.2** She highlighted the key items, which included the Trust's internal audit process, budget setting, monthly management accounts meetings at each school with BG, JC, the

office manager, and school Principal, staff absence monitoring, external health and safety audits completed at each school, an update about the SHPA building works, premises works at the schools, as well as external school safeguarding audits and safeguarding monitoring at each school.

**10.3** Directors were asked if they had any questions, but none were raised.

## **11. Review and Approve Policies in line with OLT Policy Scheme of Delegation**

*OLT Estates and Asset Management Plan – for approval*

**11.1** This had been discussed earlier in the meeting.

**11.2** The updated plan was in line with latest DfE guidance on estates and asset management. Budget setting parameters had been updated as well as the strategic aims.

**11.3** JC explained what data was being used to consider and make decisions. She also noted that currently the main body of the plan contained a description of the whole estate, but that might be moved to an appendix in due course to be used as a live.

**11.4** The document was being implemented already in terms of working calendars and planning.

**11.5** The Directors confirmed that they had no questions and that they were happy to approve the policy.

*OLT Directors' Expenses Policy – for approval*

**11.6** There had been no updates to this policy.

**11.7** The Directors confirmed that they had no questions and that they were happy to approve it.

**11.8** SB would upload the approved documents to Parago. **ACTION - SB**

## **12. Review of Trust Risk Register 2023-2024**

**12.1** JC provided a summary of latest updates to include explanation of the preventative measures in place looking ahead to potential in-year deficits in three years' time, mention of the work about to start on the outdoor play area at TPA, and updates needed in relation to the building work delays at SHPA which might have an impact on pupil numbers and funding down the track.

**12.2** **Q:** Could the Trust ask OCC to extend its funding guarantee based on the continued non-completion of the building and school site?

**A:** JC agreed that this would be worth looking at soon given the extent of the delays.

**ACTION – JC**

## **13. Agree confidential status of the meeting's documents: ATH 2023 Ref: 1.45**

**13.1** It was agreed by the committee that other than the agenda, the approved minutes from the previous meeting and any approved final versions of policies, the remaining documents reviewed for this meeting were confidential to the Trust.

**Meeting Closed: 11.31**

**Dates of next meetings:**

- Tuesday 30 April 2024 at 10am
- Tuesday 25 June 2024 at 10am

**Action list of 20<sup>th</sup> February 2024 Operations Committee Meeting**

Action Number:	For Whom:	Reference:	Action:
1	SB	Minute 2.1	Organise for previous approved minutes to be signed and attendance and minutes/agenda to be uploaded on the website DONE
2	SB	Minute 3.8	Ensure Board review of external auditor appointment is on next Board agenda DONE
3	BG	Minute 6.5	Ask school Heads what is planned/being done in response to web-filtering reports
4	BG	Minute 8.15	Ask SHPA OM whether more invoices are due in or more spending is required for (pre) opening items such as furniture.
5	JC & SB	Minute 8.18	Bring updated investment proposal to next Board meeting. Update Board agenda to reflect this DONE
6	SB	Minute 11.8	Upload approved policies to Parago DONE
7	JC	Minute 12.2	JC to investigate the possibility of OCC extending its underwriting of the funding agreement in place for SHPA, given the extent of the building delays and anticipated impact on applications/pupil numbers