



Milford Academy Governing Board

Aim high, achieve

Presentation of the Audit Findings Report to the audit and risk committee held in school on Thursday 23rd November 2023 at 3.40pm

Membership	(A)	Mat Cooke, Chair
	(A)	Sue Buckby
(A denoted absence)		David Dickinson
		James Strawbridge
In Attendance		Rachael Harvey, Clerk to the Governing Board
		Rachel Flynn, School Business Manager
		Rob Perkins, Head
		Helen Richardson (observer)
		Stephen Goff (observer)
		Sarah Flear, Senior Auditor, PKF Smith Cooper (via Teams).

AUD01/23-24/01 WELCOME AND APOLOGIES FOR ABSENCE

ACTION

The Clerk informed those present that the meeting was no quorate and proposed, as Sarah Flear, Senior Auditor, had joined the meeting, that she present the audit report.

AUD01/23-24/02 PRESENTATION OF AUDIT FINDINGS REPORT – Sarah Flear, Senior Auditor.

The Audit Findings Report had been uploaded to GovernorHub in preparation for the meeting. Sarah Flear summarised the key points, highlighting the areas for development:

- There had been a massive reduction in liability.
- Pension contributions had not changed.
- The opening reserves balances provided did not reconcile to the closing position as per the prior year financial statements. As a result, balance sheet supporting documentation across the entire balance sheet did not reconcile to the Trust Board.
- Postings and reconciling were inaccurate, this raised a question as to the accuracy of the reporting in the management accounts during the year. Management would investigate obtaining additional support around month end and, in particular at year-end.
- Budgets and forecasts predict a deficit but reserves are sufficient to cover this.
- Payroll records had not been kept for employee numbers throughout the year. This was due to the payroll provider changing after the year-end. Payroll records were the property of The Milford Academy, not the payroll provider and so should be able to be retrieved from the old provider.
- Fixed asset testing identified a number of disposals in the year were of items that had not been recorded on the fixed asset register. One item selected for physical verification was not easily identifiable due to the limited description. This exposes the school to risk of losing fixed assets.
- It is an ESFA requirement to maintain a fixed asset register. As a result, this had been raised as a significant deficiency.
- A lease for a coffee machine has been taken out in the 2023/2024 financial year. This lease appears to have some attributes of a finance lease, for which, upon cancellation the lessee must bear the financial loss. It also has some attributes of an operating lease. A detailed review of the lease would be conducted next year, to establish if it falls under the scope of a finance lease. Finance leases were not allowed by ESFA.
- From September 2024, IT agreements and lease of laptops would be relaxed.



- Section 11, regularity assurance engagement findings, identified areas for development:
 - Monthly management reporting - The SBM is now seeking additional support to help her achieve this.
 - Fixed assets - maintenance of register and ensuring assets are easily identifiable - The SBM was seeking support to help her achieve this.
 - Approval of large cost - one large purchase over £10,000 in relation to Eddisons Commercial was authorised without obtaining three quotes due to time constraints – The SBM is now aware that any future CIF bids fall into this constraint.
- External developments (Academy Trust Handbook 2023):
 - The majority of members should not also be trustees.
 - Members should use their powers to step in if governance is failing.
 - Importance of strategic leadership, accountability, and engagement with stakeholders.
 - No other employees should serve as trustees, nor should trustees occupy staff establishment roles on an unpaid voluntary basis.
 - The accounting officer and CFO should not be the same individual.
 - Transparency regarding governance arrangements.
 - The Board should have sufficient financial knowledge.
- Main Financial Requirements
 - Removed the reference to meeting six times a year and describing in the financial statement where less than six. Replaced with reference to meeting “more frequently to discharge their responsibilities”.
 - Board must minute approval of the balanced budget.
 - Budget forecast return – extended deadline to August from July.
 - Management accounts must be considered by the board when they meet (replacing prescriptive five times a year) to be assured that there is appropriate oversight.

The Head thanked Sarah Flear for presenting the report and added, the audit meeting in school was very insightful.

The Head said, in terms of support for the SBM, the school had received a quotation from SAAF, which was in excess of £10,000.00, and asked, would this trigger the three quotes rule. Sarah Flear advised contacting SAAF, as the school were entering minimal level agreement and suggest to them that you may need to go to tender.

The Head said the Academy Handbook referred to a self-assessment audit and asked if Sarah Flear could signpost trustees and members to this. Sarah Flear would e-mail the link to the SBM to circulate.

The SBM asked about the lease for the coffee machine. The Head said the school were tied into a 12 month contract, and once this ceased, it would not be renewed.

The Chair of Trustees thanked Sarah Flear for her detailed report and said, as a result of the audit, the school would look at the relationship between the internal and external audits.

The presentation closed at 4.05pm