

Present Attendees		Apologies	Also Distributed To:
Sharon Heath (SH) – virtual	Chair		
Jane Kracke (JK) – in person	Chief Operating Officer		
Carly Jones (CJ) – in person	Chief Executive		
Kimiyo Rickett (KR) – in person	CIO		
Abi Dean (AD) - virtual	Trustee		

Meeting Minutes

No.	Item Topic
1.	Apologies – As above
2.	Declarations of interest – JK, CJ as members of staff, as per previous minutes
3	Minutes of Last meeting – agreed as a true record. <ul style="list-style-type: none"> Action 1 completed Action 2 carried forward to next meeting
4	Review of FAG Terms of Reference <ul style="list-style-type: none"> The Terms of Reference for each sub-group should be reviewed annually to ensure they remain fit for purpose. This review is due. Some suggested amendments were put forward based on recommendations from the External Review and to reflect our current practice. The main amendments are to the Membership <ul style="list-style-type: none"> The current Terms of Reference state that membership should include the Chair and Senior Independent Director along with “No more than one more additional Board member with recent and relevant financial experience”, and that the Senior Independent Director should be the Chair The External Evaluation highlighted that it is good practice for the Chair not to sit on a finance committee, so the proposed new wording states At least three Trustees, with at least one Trustee having recent and relevant financial experience” with this Trustee being the Chair A section has been added regarding Co-opted Members, mirroring the wording in our Board Working Procedures. <p>Decision 1: The group agreed to the amendments to the Terms of Reference for the group, and this will be taken to Board for approval.</p>
5	Amendment to Final Accounts 21-22 <ul style="list-style-type: none"> CJ and JK requested that our Auditors make the following amendment to the Final Accounts (Notes 9): <ul style="list-style-type: none"> Amend ‘No employee received remuneration amounting to more than £60,000 in either year.’ to ‘The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was nil (2021: nil) The number of employees whose employee benefits (including employer pension costs) exceeded £60,000 was 1 (2021: nil)’ This was requested to ensure that our Final Accounts match the information on our Charity Commission annual return, which asks about employee benefits including employer pension costs This amendment has been made and the final accounts and annual return have

	been uploaded to the Charity Commission website
6	<p>2022-23 Budget – Q2 Update</p> <ul style="list-style-type: none"> • A new reporting format was used. It was agreed that FAG members will receive this and the full reports from the finance system in future, and that the Board would be asked whether they are happy to receive just the first tab from the new reporting format • It was agreed that the size of the variance which is explained was right (any variances which are both over 10% and over £1,000 are explained) • No concerns were flagged <p>Decision 2: The group agreed that the new format for reporting current spend against budget was an improvement and the size of variances to be explained was appropriate</p>
7	<p>5-Year Forecast</p> <ul style="list-style-type: none"> • The 5-Year Financial Forecast has been updated to include the following changes: <ul style="list-style-type: none"> ○ As agreed at July’s Board meeting, a pay award of 6% has been included in budget for 22-23, to try to ensure that any pay award agreed by Local Government has been included in the budget. Budget pay awards remain at 3% for future years. Currently a 2.8% increase has been awarded to staff for 22-23 • Net result is that at the last FAG meeting, unrestricted free funds were predicted to be £134,270 in credit by 31.03.27. These are now predicted to be £75,710 in credit by 31.03.27
8	<p>Risk Register</p> <ul style="list-style-type: none"> • The risk register has been updated. <ul style="list-style-type: none"> ○ The ‘Existing Control Procedures’ and ‘Proposed Improvements’ columns have been updated, as a significant number of the previous proposed improvements have been completed ○ A new risk has been added to reflect the Cost of Living Crisis, with suggested scores: Likelihood = 4, Severity = 4 (both for current and residual risk) ○ All other risks and scores have remained the same • The Risk Register will be fully reviewed in line with the Strategy Review, with either a discussion at the January Board meeting, or a separate session with the Board to look at this in detail, including assessing the Board’s appetite for risk as per the recommendation from the External Evaluation <p>Decision 3: The group agreed that a new risk around the Cost of Living crisis should be included in the Risk Register and agreed the above scores</p> <p>Action 1: FAG to review Risk Register in line with strategy review and to engage full Board in this process</p>
9	<p>Funding Partner Update</p> <ul style="list-style-type: none"> • An update was given on local partner funding by CJ and JK. It has been a challenge to get formal agreements signed by some local partners. Three local funding partners have signed agreements and paid their contributions, a further two are due to sign / pay and discussions are at various stages with the remaining five
10	<p>Dates of Next Meetings</p> <p>Tuesday 17th January 2023 – change of date</p> <p>Tuesday 18th April 2023</p> <p>Tuesday 11th July 2023</p> <p>Tuesday 10th October 2023</p>

Actions	Owner	Date
CF JK to investigate how an annual leave purchase scheme would work with the pension scheme, and to draft some parameters for a potential scheme	JK	17.01.23
CF JK to review at where we might be able to spread the organisations funds to avoid holding all funds in one account.	JK	17.01.23
Action 1: FAG to review Risk Register in line with strategy review and to engage full Board in this process	FAG	31.01.23

Item	Decisions
1.	Decision 1: The group agreed to the amendments to the Terms of Reference for the group, and this will be taken to Board for approval.
2.	Decision 2: The group agreed that the new format for reporting current spend against budget was an improvement and the size of variances to be explained was appropriate
3.	Decision 3: The group agreed that a new risk around the Cost of Living crisis should be included in the Risk Register and agreed the above scores

Prepared By	Date	Checked By	File Code
Jane Kracke	21.10.22	Sharon Heath	Finance Audit Group Minutes 11.10.22