

**Minutes** of a meeting of the Finance, Employment and Audit Committee  
held on 14 November 2017 at Callywith College

**Trustees Present:** Mrs S Dickinson, Mr P Reed (Chair), Mr P Ugalde, and  
Mr M Wardle (Principal)

**In Attendance:** Mr J Grey (Assistant Principal), Mrs N Hughes (Auditor, Bishop Fleming –  
left after item 17/03), Ms R Loom (Business Manager), Ms L Maggs  
(Assistant Principal) and Mrs A Winter (Clerk to the Trustees)

**Apologies:** Mr D Walrond

Item	Discussion/Decision	Action
17/01	<p><b>Welcome</b></p> <p>The Chair welcomed Trustees to the first meeting of the Committee and introduced those present.</p>	
17/02	<p><b>Election of Vice-Chair</b></p> <p>Members were invited to consider the role of Vice-Chair and Phil Ugalde was duly proposed, seconded and appointed.</p>	
17/03	<p><b>Draft Final Accounts 2016/17 and Auditor's Report</b></p> <p>The Committee considered the draft audited accounts for 2016/17 which had been prepared in accordance with the Academies Financial Handbook and Academies Accounts Director for submission to the Education and Skills Funding Agency (ESFA) by 31 December 2017.</p> <p>Members noted that the College had received a DfE Project Development Grant for the pre-opening phase and key areas of expenditure included marketing, legal fees, staffing and setting up management information systems (eg. finance and HR). As sponsor, Truro and Penwith College (TPC) would not be recharging salary costs of the Principal Designate and Assistant Principals for the set up period.</p> <p>The Committee reviewed the draft accounts and sought clarification on a range of issues, including:</p> <ul style="list-style-type: none"> <li>• the transfer of buildings and assets from TPC to Callywith College</li> <li>• the lease agreement with TPC which was still to be signed</li> <li>• the VAT position - as a charitable company Callywith College Trust was exempt from VAT and a rebate was expected</li> <li>• the treatment of depreciation</li> <li>• the use of general and restricted funds</li> </ul>	<p>RL/MW to draft Reserves Policy</p>

	<ul style="list-style-type: none"> <li>the need to develop a Reserves Policy.</li> </ul>	for consideration by Committee
	<p>The Auditor highlighted the audit conclusions and findings. Two minor improvements to internal controls systems were recommended and both of these were being implemented. The Auditor confirmed that overall, the audit opinion was unqualified.</p> <p>Following consideration, the Committee <b>RECOMMENDED</b> approval of the Annual Report and Financial Statements for 2016/17 by the Board of Trustees. The Committee also <b>RECOMMENDED</b> signing the letter of representation to the Auditors.</p>	AW for Board
<b>17/04</b>	<p><b>Management Accounts 2017/19</b></p> <p>The Committee reviewed the management accounts for the first two months of the 2017/18 financial year and noted that core funding income from the Education and Skills Funding Agency (ESFA) was based on the planned admission number (PAN) of 284 rather than the current enrolments of 337. Funding for the additional students was expected in February 2018.</p> <p>The College was negotiating with the funding agency about data transfer. It was hoped that an Individualised Learner Record (ILR) would be accepted. If data could not be submitted in this format, new software would need to be purchased.</p> <p>The Committee noted that utilities and premises contracts were considerably higher than anticipated and the reasons for high energy usage were being explored. Where possible, relevant costs would be recouped from the building contractor. All services would be closely monitored and expenditure minimised where possible. Whilst occupancy was significantly below capacity, it was difficult to shut down parts of buildings and reduce running costs.</p> <p>Transport costs were also higher than expected due to the numbers eligible for a subsidised bus pass.</p> <p>External bookings for the use of sports facilities and the conference room was generating revenue which was continuing to grow, with significant interest in use of facilities by local community groups and commercial organisations. Trustees suggested that charging tariffs should be published on the website.</p> <p>TPC was continuing to support Callywith College in various ways (eg. joint training, trips etc.) and this activity was being monitored for future budgeting.</p> <p>Trustees <b>NOTED</b> that the overall position remained broadly in line with the projected budget. A mid-year review of the budget would be considered at the next meeting.</p>	<p>MW to consider publishing tariffs</p> <p>RL to prepare mid-yr budget for March meeting</p>
<b>17/05</b>	<p><b>Cashflow</b></p> <p>The Committee considered the cashflow projections to August 2019 and noted the assumptions on which the figures were based.</p> <p>The Committee <b>NOTED</b> that overall the cashflow position remained positive for the next eighteen months.</p>	

17/06	<p><b>Financial Management and Governance Self-Assessment</b></p> <p>Members noted that new academy trusts were required to submit a Financial Management and Governance Self-Assessment (FMGS) within the first four months of opening to confirm that the required oversight and controls were in place.</p> <p>The Committee reviewed responses and <b>SUPPORTED</b> the signing of the FMGS by the Principal (as Accounting Officer for the Trust).</p>	MW to sign and submit FMGS
17/07	<p><b>Internal Auditor Appointment</b></p> <p>The Trust was required to put in place a process for checking financial systems, controls, transactions and risks and it was proposed that this would be achieved through the appointment of an internal audit service.</p> <p>Quotes had been obtained from two audit firms with relevant experience and following an assessment of the costings and services offered, the Committee selected TIAA Ltd as the most cost effective solution.</p> <p>The Committee <b>RECOMMENDED</b> the appointment of TIAA Ltd for an initial term of 12 months with the option to extend the service for a further 2 years, subject to satisfactory annual review.</p>	AW for Board
17/08	<p><b>Risk Register</b></p> <p>The Committee considered the annual report reviewing the College's approach to risk management. Members noted the most significant risks identified for 2016/17 and the actual outcome in relation to the matters identified. The embedded risk management controls had proved effective and the College had successfully opened in September 2017 with student numbers above PAN.</p> <p>The Principal presented the Risk Management Plan for 2017/18, Risk Register and Management Actions and Responsibilities. The Committee discussed the key risks, particularly student recruitment, retention and success as well as the impact of the FE skills reforms which would have significant implications for the curriculum. Members noted that new T-Levels (technical alternatives to A Levels) would be rolled out in a number of vocational pathways from 2020 and included a substantial work placement. Finding sufficient and appropriate work placements would be extremely challenging due to the nature of businesses in Cornwall and absence of large employers. Recruiting staff with the necessary technical and teaching experience would also be difficult.</p> <p>The Committee also discussed other risks including the development of the IT infrastructure, operational challenges linked to the new MIS and managing staff recruitment/expansion as student numbers increased.</p> <p>Following consideration, subject to an amendment to increase the risk associated with a potential failure to constrain expenditure, the Committee agreed to <b>RECOMMEND</b> approval of the Risk Management Plan for 2017/18 by the Board (Appendix A).</p>	AW for Board

17/09	<p><b>HR Update</b></p> <p>The Committee received a report on current staffing and it was noted that personnel policies and procedures mirrored arrangements at TPC. The recruitment of a significant proportion of staff from TPC had enabled the systems and processes of Callywith College to be fully effective on opening and for the ethos and culture to be quickly established.</p> <p>In response to questions the Senior Team outlined staff induction arrangements and training, including statutory areas such as Safeguarding and Health and Safety.</p> <p>Members were interested to note that staff were commuting from as far afield as Devon and west Cornwall and there was significant local interest in employment opportunities. However, the recruitment of lecturers in some specialist areas was likely to be difficult and the intention was to begin the recruitment process for new posts for September 2018 as early as possible, based on estimated student number projections.</p> <p>The Principal also provided a confidential HR Update which is separately minuted.</p>	
17/10	<p><b>Premises Matters</b></p> <p>The Principal reported that the Garrow building had been completed and handed over on 31 October providing excellent sports hall facilities which had be welcomed by students. Some snagging was continuing and the building contractor expected to leave the site by the end of November.</p> <p>A building energy management system (BMS) had been installed to improve energy efficiency.</p>	
17/11	<p><b>Cycle of Business for 2017/18</b></p> <p>The Committee considered and <b>APPROVED</b> the proposed cycle of business for 2017/18.</p>	
17/12	<p><b>Any Other Business</b></p> <p>An official opening of Callywith College by The Lord Lieutenant of Cornwall, Colonel Edward Bolitho OBE, would take place on 30 November 2017 and all trustees were invited.</p> <p>An opportunity to see the new Garrow building and tour the site would be available after the AGM on 29 November 2017.</p>	<p>All to note</p> <p>ALL to note</p>
17/13	<p><b>Date of Next Meeting</b></p> <p>The Committee would next meet at 4.00 – 5.30pm on Tuesday 6 March 2018 at Callywith College.</p>	<p>ALL to note</p>