

CALLYWITH COLLEGE TRUST

Minutes of a meeting of the Finance, Employment and Audit Committee held on 1 December 2020 via Teams

Trustees Present: Mr J Burnett, Dr C Gray, Dr J Grey (Principal), Mr P Reed (Chair) and Mr D Walrond

In Attendance: Ms J Brown (Assistant Principal), Mr A Jeffries (Assistant Principal), Mrs A Oliver (Auditor, Bishop Fleming – left after item 20/44), Ms R Loom (Business Manager) and Mrs A Winter (Clerk to the Trustees)

Apologies: Mr T Woodley

Item	Discussion/Decision	Action
20/43	<p>Draft Final Accounts 2019/20 and Auditor's Report</p> <p>The Committee considered the draft Annual Report and Financial Statements for 2019/20, auditor's Key Issues Discussion Document (KIDD) and letter of representation. The Financial Statements had been prepared in the prescribed format for submission to the Education and Skills Funding Agency (ESFA) by 31 January.</p> <p>The Auditor highlighted the audit conclusions and findings set out in the KIDD. Although it had been a very challenging year and difficult to maintain normal procedures, no significant issues or concerns had been identified. Related party checks had been undertaken and the ESFA had been notified of the service agreement payments to Truro and Penwith College (TPC), as required. Points raised during the audit last year had been satisfactorily addressed.</p> <p>The Committee noted an observation raised as a result of the audit work. This related to supplier relief payments (to the catering contractor and bus service provider) due to coronavirus. The Auditor suggested that documenting and gaining Board approval for such payments would improve internal control.</p> <p>The Auditor confirmed that an unmodified audit was anticipated.</p> <p>In response to questions, the Business Manager explained the key reasons for the differences between the draft accounts reviewed in October and the final statements.</p> <p>Although the income and expenditure accounts forecast a surplus, the statement of financial activities indicated an end of year deficit of £123k once the pension valuation, depreciation and other accounting adjustments were applied.</p> <p>Following careful scrutiny, the Committee RECOMMENDED to the Board of Trustees approval of:</p> <ul style="list-style-type: none"> • the Annual Report and Financial Statements for 2019/20 (subject to final editorial corrections) • the letter of representation to the Auditors. 	<p>Recommendation to Board</p>

20/44	<p>Pension Reports</p> <p>44.01 Teachers' Pensions</p> <p>The Committee received copies of the Teachers' Pensions return for the year ending 31 March 2020 and auditor's report and NOTED that no exceptions or errors had been identified.</p> <p>44.02 Local Government Pension Scheme (LGPS)</p> <p>The Committee received and NOTED the LGPS results schedule for the year ending 31 August 2020.</p>	
20/45	<p>Minutes</p> <p>The Minutes and Confidential Minutes of the meeting held on 20 October 2020 were APPROVED and signed as a correct record.</p>	
20/46	<p>Matters Arising</p> <p>46.01 Management Accounts (Minute 20/30.01)</p> <p>The Committee NOTED that confirmation of the Council's element 2 funding for high needs students in 2020/21 was still awaited.</p> <p>46.02 Capital Projects (Minute 20/30.02)</p> <p>Trustees NOTED that work on the TPC STEM Skills Centre was due to begin in early 2021. The Principal was communicating regularly with the TPC Principal and once the contractor was on site there would be further dialogue about practical issues during the construction phase as well as the longer term plans for the Centre.</p> <p>46.03 Premises Matters (Minute 20/39)</p> <p>Trustees were pleased to NOTE that the temporary Kilmar building was fully operational and functioning well.</p> <p>46.04 Transport Contract (Minute 20/40.02)</p> <p>Trustees NOTED that the joint tendering process with TPC for the provision of College bus services from 2021/22 was due to be concluded in mid-December 2020.</p> <p>46.05 Learning Walks (Minute 20/41.01)</p> <p>Although Trustees Learning Walks had been postponed during the second lockdown, it was hoped that visits on site could soon be resumed when feasible in the new year.</p> <p>46.06 Oxbridge Applications 2021 (Minute 20/41.02)</p> <p>Trustees NOTED that the numbers applying to Oxford and Cambridge universities had risen this year and several applicants had been invited for interview.</p> <p>46.07 Learner Support Funds (Confidential Minute 20/40.3)</p> <p>The Principal confirmed that an appeal about the 4yr phased increase in Learner Support Funds had been referred to the ESFA but declined. The local MP had been made aware of the cap on the increases in years 1 and 2.</p>	

20/47	<p>Internal Audit Controls Assurance Review for 2019/20</p> <p>The Committee received the Internal Auditor's report on the three audit visits conducted during the year and summarising the scope of the reviews. Trustees NOTED the Auditor's conclusions that there was effective separation of duties and satisfactory controls in place with no concerns or recommendations raised.</p>	
20/48	<p>Management Accounts 2020/21</p> <p>The Committee reviewed the management accounts for the first two months of the financial year and noted that revenue funding had been received from the ESFA for 1280 students although current enrolments were 1241. There would be no in-year clawback and funding would be adjusted in 2021/22 on the lagged funding model.</p> <p>Trustees NOTED that at this stage, income and expenditure remained close to budget projections.</p>	
20/49	<p>Cashflow</p> <p>The Committee considered the cashflow projections to April 2022 and noted the underlying assumptions.</p> <p>Projections were based on 1280 learners in 2020/21 and 1450 learners in 2021/22 although these figures were high and would need to be adjusted. Accurate recruitment forecasts were difficult due to the very unusual admissions cycle.</p> <p>The Principal explained that clarification was being sought on maximum numbers. The Regional Schools Commissioner was involved in determining student numbers for funding purposes whilst the Council would set campus capacity for the purposes of traffic management, fire safety etc. The additional facilities provided by Kilmar needed to be factored into revised assessments.</p> <p>Trustees noted the position and CONFIRMED the College should remain focused on growth in response to demand from local young people and to meet the needs of employers.</p> <p>The Committee NOTED that overall, the cashflow position remained strong for the next 18+ months.</p>	
20/50	<p>Risk Register: Annual Review</p> <p>The Committee reviewed the Risk Register which had been updated to incorporate latest issues. The risk factors, potential impact and mitigating actions were discussed. A separate Covid-19 Risk Analysis was also considered and the key issues explored. The ongoing adaptations and measures to minimise risks were noted.</p> <p>Following consideration, the Committee was SATISFIED that risks were being effectively monitored and managed.</p>	
20/51	<p>Cybersecurity Update</p> <p>An update on cybersecurity arrangements was provided by the Computer Services Team Leader for TPC (which delivered the College's IT services).</p>	

	<p>Trustees noted the security provided by JISC (a not-for-profit internet service provider for HE and FE) as well as a comprehensive system of firewalls, anti-virus software, web blocking and zero-day threat protections. A centralised management system was continually monitoring and updating all PCs connected to the College network to provide up-to-date defence against infections and cyber-attacks.</p> <p>In response to questions, Trustees noted that the College's insurance did not include cybersecurity cover as policies only compensated for specific financial losses which would be of little benefit in the event of a serious security breach. Prevention remained the key focus.</p> <p>The Committee NOTED the multi-layered cybersecurity arrangements.</p>	
20/52	<p>Confidential Review of Appointment of External Auditors</p> <p>The Committee noted that the 3year contract with Bishop Fleming as External Auditor had been extended for 2 years and was due to end in summer 2021. It was therefore appropriate to initiate a tender process for a new 5year audit contract starting in August 2021.</p> <p>The Committee AGREED the appointment process and timetable.</p>	Business Manager to take forward
20/53	<p>HR Update</p> <p>The Principal provided a brief update on the latest staffing position in which he mentioned that:</p> <ul style="list-style-type: none"> • Covid related absences due to self-isolating and illness had a significant impact with 265 days of absence recorded to date - this equated to around 6.5 staff absent every day (total workforce 140) • 3 staff were in the 'clinically extremely vulnerable' category and had continued working from home • 3 staff were currently on maternity leave • learning support services roles had been reviewed to increase the effective operation of the team and 3 additional staff appointed • extra activities as a result of Covid (eg. supervising bus arrivals/departures) were taking considerable additional staff time. 	
20/54	<p>Premises Matters</p> <p>Trustees NOTED that the Premises Team and two new learning mentors had focused on monitoring Covid compliance and safe behaviour on site.</p> <p>The new reception in Garrow building was working very well.</p>	
20/55	<p>Any Other Business</p> <p>An update was provided on negotiations with the catering provider, Chartwells, which was suffering financial losses due reduced activity during the pandemic.</p> <p>The Business Manager was receiving monthly figures to monitoring income and expenditure and there was closer liaison with the Regional Manager. To ensure catering services were maintained, an agreement had been reached to subsidise unexpected costs enabling Chartwells to operate at breakeven.</p>	
20/56	<p>Date of Next Meeting</p> <p>The Committee would next meet on Tuesday 2 March 2021.</p>	ALL to note

