

**Minutes** of a meeting of the Finance, Employment and Audit Committee  
held on 20 November 2018 at Callywith College

**Trustees Present:** Dr C Gray, Mr P Reed (Chair) and Mr M Wardle (Principal)

**In Attendance:** Mrs A Oliver (Auditor, Bishop Fleming – left after item 18/35), Ms R Loom (Business Manager) and Mrs A Winter (Clerk to the Trustees)

**Apologies:** Mrs S Dickinson, Mr P Ugalde and Mr D Walrond  
Also, Dr J Grey and Ms L Maggs

Item	Discussion/Decision	Action
18/34	<p><b>Draft Final Accounts 2017/18 and Auditor's Report</b></p> <p>The Committee considered the draft Annual Report and Financial Statements for 2017/18, auditor's Key Issues Discussion Document 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 December.</p> <p>The Auditor highlighted the audit conclusions and findings set out in the discussion document. A number of improvements to internal control systems had been suggested, none of which were significant or required immediate attention. The Auditor confirmed that overall, the audit opinion was unqualified.</p> <p>In response to questions, the auditor clarified a number of points:</p> <ul style="list-style-type: none"> <li>• the transfer of buildings and assets from Truro and Penwith College to Callywith College</li> <li>• the distinction between restricted and unrestricted funds and specific purposes for which the funds were to be applied</li> <li>• the principles of the pension schemes (Teachers' Pensions and Local Government Pension Scheme) – academy pensions were underwritten by the Government</li> <li>• the difference between the end of year management accounts and the audited financial statements which was largely due to revised pension commitments.</li> </ul> <p>Trustees recognised that there were likely to be some issues during the first full year of operation as new systems bedded in, and noted that a new finance assistant had recently been appointed which would alleviate concerns about reliance on a key individual and separation of duties. The Committee was satisfied that all points raised during the audit were being addressed and asked that management responses to the audit findings were added to the report in order to provide assurance to the Board.</p>	<p>RL to provide management responses</p> <p>AW to circulate to Committee</p>

	<p>Following consideration, the Committee <b>RECOMMENDED</b> to the Board of Trustees approval of:</p> <ul style="list-style-type: none"> <li>the Annual Report and Financial Statements for 2017/18</li> <li>the letter of representation to the Auditors.</li> </ul>	Recommendations to Board
<b>18/35</b>	<p><b>Teachers' Pension</b></p> <p>The Committee received copies of the Teachers' Pension audit return for the year ending 31 March 2018 and noted that no exceptions or errors had been identified. The Auditor <b>CONFIRMED</b> that the correct contributions had been made for 2017/18.</p>	
<b>18/36</b>	<p><b>Minutes</b></p> <p>The Minutes of the meeting held on 19 June 2018 were <b>APPROVED</b> and signed as a correct record.</p>	
<b>18/37</b>	<p><b>Matters Arising</b></p> <p><b>37.01 Lease Agreement (Minute 18/21.01)</b></p> <p>Trustees noted that the lease agreement between Truro and Penwith College (TPC) and the Education and Skills Funding Agency (ESFA) had been finalised and signed.</p> <p><b>37.02 Management Accounts (Minute 18/21.04)</b></p> <p>The support provided by TPC (including MIS systems, IT, HR and management support) was subject to the relevant related party rules. Advice on the correct prior approval of related party transactions had been sought from the ESFA.</p> <p><b>37.03 Premises Matters (Minute 21.05)</b></p> <p>Significant work had been completed by the contractor over the summer to rectify issues identified as part of the snagging process. Any new problems would be addressed on an ad hoc basis.</p> <p><b>37.04 HR Update (Minute 18/27)</b></p> <p>The Committee noted that new staff were settling well. To ensure staffing matched delivery needs and cost effectiveness was maintained, some adjustments to classes, common teaching across programmes and changes to the workload of variable hours staff had been made. Support staffing remained very lean and it was hoped that additional resources provided by the one-off Teachers Pay Grant and Capital Bonus could be used towards building the support staff team and future staffing costs.</p>	
<b>18/38</b>	<p><b>Management Accounts 2018/19</b></p> <p>The Committee reviewed the management accounts for the first three months of the financial year and noted that core funding from the ESFA was calculated according to the published admission number (PAN) of 730 rather than the actual enrolments of 773. Funding for the additional students was expected in February 2019 but would not attract a post-opening per pupil grant.</p>	

	<p>As the budget had been based on a total intake of 780, there was a slight income shortfall although expenditure in some areas was also lower than expected.</p> <p>Trustees <b>NOTED</b> that the overall position remained broadly in line with the projected budget and all areas would continue to be very closely monitored and efficiencies made where possible.</p>	
<b>18/39</b>	<p><b>Cashflow</b></p> <p>The Committee considered the cashflow projections for the coming eighteen months to February 2020 and noted the assumptions on which the figures were based. Forecasts had been adjusted to take account of the revised student intake of 980 for 2019/20. Significant support was still being provided by TPC and the scheduled repayments were shown in the cashflow.</p> <p>The Committee <b>NOTED</b> that overall the cashflow position remained positive for the next eighteen months.</p>	
<b>18/40</b>	<p><b>Internal Audit Finance Review 2017/18</b></p> <p>The Committee considered the internal auditor's finance review and noted that detailed testing had been undertaken of the Payroll Control arrangements in accordance with the DfE's Controls Assurance Programme. Sample testing had also been completed in relation to the management accounting framework.</p> <p>There were no matters arising from the review and Trustees <b>NOTED</b> the auditor confirmed a sound basis for finance at Callywith College.</p>	
<b>18/41</b>	<p><b>Internal Audit Annual Plan 2018/19</b></p> <p>The Committee considered the proposed audit plan for 2018/19 setting out the scope of work to be completed during each termly visit and the range of systems and processes to be reviewed.</p> <p>Following discussion, the Committee <b>RECOMMENDED</b> to the Board of Trustees approval of the audit plan for 2018/19.</p>	Recommendation to Board
<b>18/42</b>	<p><b>HR Matters</b></p> <p><b>42.01 HR Update</b></p> <p>The Committee received a report summarising recruitment since January 2018, together with absence data, staff age profile and turnover for 2017/18.</p> <p>Trustees noted that 31 academic appointments had been made of which 16 were external appointments and 15 were appointed from TPC. In addition, 12 support staff appointments had been made. The Principal confirmed that a total of 93 individuals were currently employed by Callywith College.</p> <p>Absence rates were low and were significantly below average rates in the education sector and in South West colleges. The reasons for absence related to a range of medical conditions. Turnover was also low and raised no concerns or issues.</p>	

	<p>In response to questions, the Principal explained that all teaching staff had an obligation to provide 34 hours of cover annually and this enabled most teaching absences to be managed without the need to bring in supply staff. However, some support staff absences eg. cleaners, were more difficult to cover.</p> <p>The Committee <b>NOTED</b> the data with interest.</p> <p><b>42.02 HR Policies</b></p> <p>Following consideration, the Committee <b>APPROVED</b> a proposed Flexible Working Policy and a Stress Policy.</p>	
<b>18/43</b>	<p><b>Premises Matters</b></p> <p>The Principal reported that in addition to the snagging work, the conversion of general teaching rooms had provided a specialist childcare area, a print room and textiles studio. The photography darkroom had also been extended during the summer. In response to increased demand for computing facilities since September 2018, an additional computer room had been created during the autumn half term.</p>	
<b>18/44</b>	<p><b>Any Other Business</b></p> <p>The Committee was consulted on the most appropriate timing of meetings and agreed to move to a 3.30pm start time in future with an aim to complete meetings by 5.30pm.</p>	All to note
<b>18/45</b>	<p><b>Date of Next Meeting</b></p> <p>The Committee would next meet at 3.30 – 5.30pm on Tuesday 5 March 2019 at Callywith College.</p>	ALL to note