

CALLYWITH COLLEGE TRUST

Minutes of a meeting of the Finance, Employment and Audit Committee held on 26 November 2019 at Callywith College

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

In Attendance: Mrs N Hughes (Auditor, Bishop Fleming – left after item 19/29), Ms R Loom (Business Manager), Mrs A Winter (Clerk to the Trustees), Mr T Woodley (Observer – left after item 19/35)

Apologies: Mr P Ugalde
Also, Ms L Maggs (Assistant Principal)

Item	Discussion/Decision	Action
	<p>Welcome and Introductions</p> <p>The Chair welcomed to the Committee - Jonathan Burnett (new member of the Committee), Natercia Hughes (Auditor) and Tom Woodley (Parent Trustee designate).</p>	
19/28	<p>Draft Final Accounts 2018/19 and Auditor's Report</p> <p>The Committee considered the draft Annual Report and Financial Statements for 2018/19, 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. Three improvements and compliance issues had been suggested, none of which were of significant concern or required urgent attention. Points raised during the audit last year had been satisfactorily addressed. The Auditor confirmed that overall, an unmodified audit was anticipated.</p> <p>In response to questions, the auditor clarified a number of points:</p> <ul style="list-style-type: none"> • for the purposes of materiality, the auditors generally worked on the basis of 2% of total income – any discrepancies below this threshold were regarded as minor issues • the data analytics on the posted journals showed nothing unexpected and no raised no concerns • the distinction between restricted and unrestricted funds and specific purposes for which the funds were to be applied • the difference between the end of year accounts and the audited financial statements was largely due to fluctuation in the annual pension deficit valuation – the deficit valuation and contribution rates were expected to reduce for 2019/20. <p>Trustees also asked about the differences between the end of year management accounts and the audited financial statements and requested a reconciliation of the two sets of figures.</p>	<p>RL to provide reconciliation</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 2018/19 (subject to final editorial corrections) the letter of representation to the Auditors. 	Recommendations for Board
19/29	<p>Pension Reports</p> <p>29.01 Teachers' Pensions</p> <p>The Committee received copies of the Teachers' Pensions return for the year ending 31 March 2019 and the auditor's reasonable reassurance report. Minor discrepancies relating to two incorrect payments for employees with dual roles had arisen during the audit and resulted in a small underpayment. The Auditor CONFIRMED that no other exceptions or errors had been identified with regard to pension contributions made in 2018/19.</p> <p>29.02 Local Government Pension Scheme (LGPS)</p> <p>The Committee received and NOTED the LGPS results schedule for the year ending 31 August 2019.</p>	
19/30	<p>Minutes</p> <p>The Minutes and Confidential Minutes of the meeting held on 11 June 2019 were APPROVED and signed as a correct record.</p>	
19/31	<p>Matters Arising</p> <p>31.01 FEC Cornwall Post-16 Review (Minute 19/16.03)</p> <p>Trustees noted that proposals concerning the transfer of Callywith College to Truro and Penwith College (TPC) together with a detailed response to questions from the Regional Schools Commissioner had been submitted in September. No formal reply had been received and a response was not expected before the general election.</p> <p>The Committee supported a proposed joint meeting with the governors of Truro and Penwith College with legal advisor to explore and clarify next steps.</p> <p>31.02 Proposed Budget for 2019/20 (Minute 19/18)</p> <p>The Committee noted that the original budget had been planned on the basis of 950 enrolments. However, the Individual Learner Record (ILR) census date of 4 December was expected to record enrolments of 1105. A reforecast budget based on the final figure would be produced.</p>	Chair to take forward
19/32	<p>Management Accounts 2019/20</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 855 rather than the 1105 students attending. Funding for the additional students was expected in February 2020 but in the meantime there was a deficit outturn due to the lagged funding.</p>	

	<p>In response to questions, the Business Manager explained that post-opening grants were coming to an end this year and there was no certainty that the Teachers Pay Grant and Teachers Pension Contribution Grant would continue beyond March 2020. A shortfall in local authority Element 2/3 high needs funding was being taken up with the Council.</p> <p>Other key variations at this early stage related to transport and exam costs. Trustees noted that although AS Level exam fees had fallen, BTEC costs and expenditure on invigilation and complex exam concession arrangements had risen.</p> <p>The income and expenditure position was explained and Trustees NOTED that the overall position remained broadly in line with the projected budget. All areas would continue to be very closely monitored and efficiencies made where possible.</p>	
19/33	<p>Risk Register: Annual Review</p> <p>The Principal provided a brief update on the main risks:</p> <p><u>Funding</u> – the implications of the recently announced uplift in core funding rate for 2020/21 were being assessed against the rising costs of delivery and other factors such as growth in the cohort of Level 2 re-sit candidates</p> <p><u>Capacity</u> – an increase in applications compared to the same stage last year indicated the College was likely to reach capacity in 2020/21 and additional accommodation options were being investigated</p> <p><u>Recruitment/Marketing</u> – adjustments had been made to the recruitment timetable and earlier interviews would help to provide a clearer indication of likely enrolment numbers for 2020/21 at an earlier stage. Also, the admissions policy was being reviewed</p> <p><u>Ofsted</u> – an inspection was due in 2019/20 and preparation to ensure readiness for inspection were continuing, informed by feedback and reports from benchmarking providers.</p> <p>The Committee NOTED the key concerns and actions to mitigate the risks.</p>	
19/34	<p>Cashflow</p> <p>The Committee considered the cashflow projections to August 2021 and noted the assumptions on which the figures were based. Forecasts had been adjusted to take account of the revised student intake of 1105 for 2019/20 and lagged funding payment from the ESFA expected in February 2020.</p> <p>Repayments to TPC had been made and the remaining sum owed by Callywith College would be cleared by the end of 2019/20.</p> <p>Projections for 2020/21 were based on enrolments of 1280 and the Committee discussed the capacity implications for the campus. Trustees noted that there were currently pinch points throughout the week which impacted on some facilities. The impact was being monitored and the pressure alleviated, where possible.</p>	

	<p>At this stage, no allowance for a staff pay award had been included in the figures for 2020/21.</p> <p>The Committee NOTED that overall the cashflow position remained strong for the next 18+ months.</p>	
19/35	<p>Internal Audit Controls Assurance Reviews</p> <p>The Committee received reports from the Internal Auditor's findings of a review of Income (completed in May 2019) and Payroll (completed in August 2019).</p> <p>The Income review included an assessment of management accounts, money from the cashless catering system as well as some other cash receipts. The Committee NOTED that no concerns or recommendations had been identified</p> <p>Payroll services are provided by TPC with source data prepared by Callywith College. The review confirmed that sound systems were in place for payroll and the Committee NOTED that no concerns or recommendations had been identified.</p>	
19/36	<p>Internal Audit Annual Plan 2019/20</p> <p>The Committee considered the proposed audit plan for 2019/20 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 RECOMMENDED to the Board of Trustees approval of the audit plan for 2019/20.</p>	Recommendation for Board
19/37	<p>Confidential Review of Appointment of External Auditors</p> <p>The Committee noted that the 3year contract with Bishop Fleming was due to end with the completion of 2018/19 audit and considered a proposal to extend the appointment for 2years.</p> <p>A schedule of proposed fees was tabled and considered by the Committee. Trustees noted that the service provided had been entirely satisfactory and fees for 2019/20 would remain at the same level for 2020/21.</p> <p>Following discussion, the Committee agreed to RECOMMEND the re-appointment of Bishop Fleming for a further period of 2years.</p>	Recommendation for Board
19/38	<p>HR Matters</p> <p>42.01 Staff Analysis and Recruitment 2018</p> <p>The Committee considered a report analysing current staffing, together with absence data, age profile and turnover rates</p> <p>Trustees noted that 104 staff were employed in 2018 with an overall average age for all staff of 40years. The turnover rate remained low and in response to questions, the Principal explained that reasons for leaving did not raise any concerns although two members of teaching staff had moved into higher paid jobs in schools. The fixed term posts included learning support assistants appointed to support specific learners, some temporary cover and roles which were externally funded. Absence rates remained low compared to sector benchmarks.</p>	

	<p>The Committee noted that 36 new appointments had been made between September 2018 – August 2019 of which 20 were external appointments and 16 appointed internally or from TPC.</p> <p>The Committee NOTED the staffing data with interest.</p> <p>38.02 Staff Development Impact Assessment</p> <p>The Principal summarised the range of staff development and training offered, including twilight sessions addressing issues such as the use of technology in the classroom and the new BTEC framework. Other areas of training included areas such as health and safety to ensure compliance with mandatory requirements. The three annual staff development days were also an opportunity to deliver staff wellbeing sessions such as mindfulness in association with the Health, Wellbeing and Sport (HWS) team. The College was working with Cornwall Teaching School to offer support for newly qualified teachers (NQTs).</p> <p>The overall impact of staff development was demonstrated by the very positive student outcomes and high levels of satisfaction expressed by learners with regard to provision. A staff satisfaction/wellbeing survey was currently underway which would help to identify areas for further support and development.</p> <p>In response to questions, the Principal confirmed that opportunities to attend external training were provided as appropriate and specific training was funded where necessary.</p> <p>38.03 HR Policies</p> <p>Following consideration, the Committee APPROVED the following new policies:</p> <ul style="list-style-type: none"> • Absence Management • Compassionate, Fertility, Dependants, Paternity Leave • Flexible Working Policy • Bullying and Harassment (subject to an amendment to include reference to support from the Personnel team via the Personnel Clinic) • Stress Policy 	<p>Principal to amend and implement policies</p>
<p>19/39</p>	<p>Premises Matters</p> <p>The Principal explained that recruitment projections for 2020/21 indicated an increase which could exceed current capacity. The potential to expand facilities was therefore being explored. Accurate student number estimates would not be available until May 2020, however, any decision to expand accommodation would be need to be made at an earlier stage.</p> <p>Following a thorough discussion of the likely costs, timescales and other implications, the Committee AGREED that:</p> <ul style="list-style-type: none"> • detailed costings and information on options should be sought for further consideration by the Committee • a planning application should be submitted seeking permission for development on the overflow parking area. 	<p>Principal to take forward</p>

19/40	<p>Any Other Business</p> <p>Trustees noted that TPC had submitted an entry to the TES FE Awards 2020 (in the best contribution to the local community by an FE provider category) for the establishment of Callywith College.</p>	
19/41	<p>Date of Next Meeting</p> <p>The Committee would next meet at 3.30 – 5.30pm on Tuesday 3 March 2020 at Callywith College.</p>	ALL to note