

**EXTRAORDINARY MEETING OF THE FULL GOVERNING BODY**

**Tuesday 16<sup>th</sup> November 2021**

**6pm**

**Held remotely via online video conferencing platform**

College mission statement:

**We at St Francis Xavier College aim to provide for the educational needs of our students in a Catholic environment that proclaims Jesus Christ, the Way, the Truth and the Life. We are committed to a community based on mutual respect where we recognise our responsibilities to ourselves and others.**

July 2005

**MINUTES**

**PRESENT:**

Mr N Sheta, Chair of Governors, Foundation Governor	Mr G Thompson, Principal
Mr M Belfourd, Vice Chair of Governors Foundation Governor	Mr K Thomas, Foundation Governor
Mr R Vianello, Foundation Governor	Mr D Navarro, Foundation Governor
Mr S Ebele, Foundation Governor	Ms R Clark, Staff Governor
Mrs K Taylor, Foundation Governor	Mrs E Preece, Staff Governor

**IN ATTENDANCE:**

Mr C Graham, Associate Principal, Ethos and Student Welfare  
Mrs M Searle, Director of Finance & Resources  
Mrs E Lewis, Clerk to the Governors  
Mrs C Biscoe, Engagement Partner, Buzzacott LLP  
Ms L Raynes, Client Manager, RMS (Internal Audit Service)

**The meeting was opened by Mr Sheta at 6.03pm and was quorate throughout. It had been convened for the governing body to hear the findings of the Financial Statements and Regularity Audits direct from the External Auditors. All participants were able to see and or hear one another.**

- 1. OPENING PRAYER:** offered by Mr Thompson
- 2. INTRODUCTIONS:** were made and participants displayed their name on screen.
- 3. APOLOGIES FOR ABSENCE:** Had been received in advance from Mr P Barber, Mrs B Meier and Mr Lagnado.  
Mr Freeman, Ms Rowe and Ms Quartey, were not present.
- 4. DECLARATION OF INTERESTS:** None were declared.
- 5. END OF YEAR, JULY 2021 REPORT AND ACCOUNTS: Chaired by Mr Vianello, Chair of Audit Committee**
  - 5.1. FMCE<sup>1</sup>:** The completed self-evaluation for 2020 – 2021, signed by Mr Thompson, had been included in the papers for the meeting and was introduced by Mrs Searle. At the

---

<sup>1</sup> Financial Management Control Evaluation – adapted SFCA (Sixth Form Colleges Association) from a former mandatory submission to the funding agency

request of governors, college managers completed this non-mandatory questionnaire as a tool to review good financial management. Mrs Searle explained that each area had been graded “good” with the exception of 3.2 “internal Control System” which was “outstanding”. She confirmed that the overall self-assessed grade for the college’s financial management and control arrangements remained “good”. Mrs Searle reviewed the two areas in the arising improvement plan – recruitment of learners and embedding the counter-fraud culture of the college - both of which were continuing from the previous year, linked to the risk register, where inroads had been started but needed to be maintained or developed further.

Mr Vianello enquired what the process would be for reporting and reviewing against the action plan. Mrs Lewis confirmed that a tracking report would be made to each meeting of the Audit Committee which would be visible to the full Governing Body in the minutes of meetings.

**The FMCE for 2020 – 2021 and improvement action plan was accepted.**

**5.2. Financial Statements for the year ended 31<sup>st</sup> July 2021: presented by Mrs C Biscoe Engagement Partner Buzzacott, Financial Statements Auditors:**

**5.2.1. Report & Financial Statements (Consolidated Accounts) for year ended 31<sup>st</sup> July 2021:** the accounts had been included in the papers for the meeting and were introduced by Mrs Biscoe who confirmed that they had been prepared in accordance with the principles and format prescribed by the ESFA Accounts Direction Handbook 2020/21 and all other relevant guidance and bulletins. Mrs Biscoe took governors through, drawing attention to key content.

*Report of the Governing Body*, Mrs Biscoe noted the financial results from the “Financial Position” section on page 6 which reported an **operating deficit of £724,000** had been incurred in the year and an **operational surplus of £152,000** for 2020/21 (2019/20 had returned a deficit of £90,000) after adjustments for FRS 102 pension movements, depreciation and deferred capital grants.

Mrs Biscoe drew attention to the Reserves Policy on page 7 noting that the college maintained a sufficient level of unrestricted funds to continue to remain viable. She highlighted that the general reserve funding had decreased in the year by £1m but remained at a healthy level.

The financial position translated into an ESFA Financial Health grade was recorded on page 8 to be currently “good”.

Mrs Biscoe drew attention to the principal risks and uncertainties section disclosed by governors on pages 10 – 11.

Mrs Biscoe introduced the *Statement of Corporate Governance and Internal Control* which commenced on page 17 and explained the content and disclosures including attendance by governors at meetings of the full Governing Body. She noted that the Internal Audit Service had brought nothing to their attention.

Mrs Biscoe introduced the *Statement of Regularity, Propriety and Compliance* on page 26 which would be signed by the Chair and Accounting Officer to confirm that no instances of material irregularity, impropriety or funding non-compliance

had been discovered to date as also confirmed through the regularity audit.

It was noted that the *Statement of Responsibilities of the Governing Body* on page 27 was unchanged from previous years.

The *Independent Auditor's Report to the Governing Body of St Francis Xavier 6<sup>th</sup> Form College* on page 29 recorded a clean opinion. Mrs Biscoe highlighted a change from previous reports to the scope of conclusions relating to going concern which now gave a positive assurance that the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements was appropriate. She referred governors to the auditor's responsibilities for the audit of the financial statements set out on page 30 which had been expanded.

The *Reporting Accountant's Assurance Report on Regularity*, addressed to the Governing Body and the DfE, concluding a clean outcome, was noted on pages 33 – 34.

**No comments or queries were raised on the annual report and it was duly accepted.**

Mrs Biscoe explained the consolidated and college financial statements, highlighting the results and changes of note. She advised that, as auditors, the assessment by the College (Governing Body) that it has adequate resources to continue in operational existence for the foreseeable future and would, therefore, continue to adopt the "going concern" basis in the preparation of its financial statements, gave no rise for concern. At the point of signing the accounts (9<sup>th</sup> December 2021) the Governing Body would be confirming its belief that the college would remain in operation for a period of 12 months ie to December 2022.

The notes to the Financial Statements were reviewed. Mr Belfour commented that the increase of £350,000 in the reserve for the defined benefit pension scheme was much less than last year. He also noted that the disclosure of the number of meetings of the Audit Committee which took place in the year and the attendance records of each committee member, changed by the Accounts Direction this year, was clear and concise.

Mr Belfour commended the hard work of Mrs Searle and her team on the accounts.

Mr Vianello asked what would be required to move from good to outstanding financial health. Mrs Searle explained the three ratios on which the grading was based and how the auto-calculation of the EBITDA<sup>2</sup> influenced this for the college. She advised that if the ratio improved further it would follow that financial health would improve to outstanding - the prediction in the agreed two-year financial plan was for financial health to remain "good" on the assumption that growth in student numbers would be maintained. Mrs Searle said that the methodology of financial health grading was under review. Mr Belfour advised that figures in the final end of year accounts and the July 2021 management

---

<sup>2</sup> Earnings Before Interest, Taxes, Depreciation and Amortization

accounts as circulated to all governors, when the switch to “good” was flagged, were the same.

**5.2.2. Post - Audit management report for 2020 – 2021 including SFX Corporate Services Ltd:** The draft report had been included in the papers for the meeting and was therefore taken as read. Mrs Biscoe introduced the report as the findings of the external audit and confirmed, with thanks to Mrs Searle and her team, that the process had been smooth and supported with documents and information on time.

Mrs Biscoe confirmed the expected opinions of the audit of the financial statements of the College that they gave a true and fair view of the College’s deficit for the year, and those of the trading subsidiary gave a true and fair view of the company’s affairs, at 31<sup>st</sup> July 2021. The regularity assurance conclusion for the College supported the affirmative statement of regularity, propriety and compliance made by the governing body in the annual report.

The outstanding items which would be required to finalise the audit were noted on page 3 to be receipt of the letter of representation and confirmation immediately prior to the financial statements being signed that no significant events had taken place since the audit that would impact them were noted,

Mrs Biscoe explained the financial performance and going concern section which set out the reconciliation between the decrease in the College’s total reserves by £515,000 and the positive operational position of £152,000. The surplus was achieved against a budgeted deficit of £225,000.

Mrs Biscoe commended the finding that there were no adjustments made to the figures presented to the auditors for audit as a good result showing that the management information provided to governors was robust.

Mrs Biscoe drew attention to a point concerning “Prepaid professional fees” which was also noted in the letter of representation which noted professional fees that had been capitalised against future works which had not yet taken place. She advised that governors would need to confirm that they are comfortable with this via the letter of representation. Mrs Searle confirmed that the capital works had now begun.

Mrs Biscoe reported that the key audit risks and outcomes identified as part of the pre-audit planning process presented to the Audit Committee were satisfactory in all cases. She confirmed the different scope of work carried out in the area of income recognition following a change in the Post-16 Audit Code of

It was noted that the work on the Teachers’ Pension End of Year Certificate (EOYC) assurance was concluded without any significant concerns needing to be drawn to the attention of governors.

The appendices, including comparison of financial ratios, provided for information were recommended to governors and included explanatory notes on ratios which Mrs Searle had referred to in regard to financial health grading.

The findings set out in the post-audit management report were noted to be a

clean report and accepted.

Mr Vianello added thanks and appreciation to Mrs Searle.

**ACTION: The Report and Financial Statements would be formally proposed for signing and subsequent filing with the ESFA at the meeting of the full Governing Body on 9<sup>th</sup> December 2021.**

5.2.3. **Letter of Representation:** A copy of the letter had been included in the papers for the meeting. Mrs Biscoe confirmed it to be a standard template for the governing body to consider and approve for sending to Buzzacott at the time the Financial Statements were signed. Mrs Biscoe drew attention to the point in the letter in section 13 "Prepaid professional fees" which had been referenced in the audit observations section of the post-audit management report and noted that professional fees had been incurred in connection with capital work "highly likely to go ahead". Mrs Searle confirmed that the capital work had since commenced in the new financial year 2021 - 2022.

**ACTION: The letter of representation would be transcribed onto SFX headed paper and presented for signing at the meeting of the full Governing Body on 9<sup>th</sup> December 2021.**

5.2.4. **Letter of Engagement:** Mrs Biscoe was invited to present the Audit Engagement Letter 2021 and, on the recommendation of the Audit Committee this was approved for digital signing by Mr Vianello.

6. **CLOSE:** Mr Sheta closed the meeting at 6.33pm and added his thanks to Mrs Searle and all involved in the processing of the external audit.

**SIGNED:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

<p><b>Date of next meeting of the full Board of Governors: Thursday 9<sup>th</sup> December 2021</b></p>
--

[sfx.ac.uk/the-governing-body](http://sfx.ac.uk/the-governing-body)