

**Tuesday 3rd March 2020 (Meeting Room, 075)
5.30pm**

MINUTES

PRESENT:

Mr N Sheta, Chair, Foundation Governor
Mr R Vianello, Vice Chair, Foundation Governor 5.37pm
Mrs B Meier, Foundation Governor 6.17pm

IN ATTENDANCE:

Mrs S Flannery, Principal (at request of committee)
Mrs S Plumb, Senior Business Manager (at request of committee)
Mrs M Searle, Head of Finance (at request of committee)
Ms L Raynes, Client Manager, RSM Risk Assurance LLP for items 1 to 15
Mrs E Lewis, Clerk to the Governors
Mr G Thompson, Associate Principal - observer

The meeting was opened at 5.34pm by Mr Sheta and from item 5 was quorate throughout.

1. **Opening Prayer:** offered by Mrs Flannery
2. **Apologies:** Received from Mr S Ebele were accepted.
3. **Introductions**
4. **Declarations of Interest:** There were none.
5. **Committee time with Auditors if required:** It was agreed that the committee did not require this.
6. **Minutes of meetings held on 19th November 2019:** Previously circulated on 3rd December 2019, reported to the full Governing Body on 5th December 2019 and included in the papers for the meeting were agreed to be a true and accurate record and duly signed by Mr Sheta.
7. **Action Points from previous meeting:**
 - 7.1. Annual report of the Audit Committee for 2019 – 2020: Mrs Lewis confirmed this had been agreed, signed and presented to the full Governing Body on 5th December 2019 and subsequently published on the website and a copy filed with the ESFA.
8. **Matters Arising, not covered by agenda items:** there were none.
9. **Internal Audit Service:** Ms Raynes presented the report on the IAS assignments visit in January 2020 which had been included in the papers for the meeting. The internal audit had been an agreed upon procedures review of the discretionary bursary fund and the learner number systems. Ms Raynes explained one medium priority action arising from the bursary review and one low priority action from learner number systems. The findings and agreed action plan in respect of the blanket calculation and award of bursary fund payments were discussed and accepted by the committee. The auditors had been satisfied

that the management actions adequately addressed the identified issue. Mr Vianello asked how confident management was that £20 a week was the right amount. Mrs Plumb responded that the bursary rules would be changing in April and the amount would be re-worked on an individual basis.

Ms Raynes explained that the learner number systems review had used the ESFA audit approach and confirmed that the low priority finding arising from reconciling the end date on the ILR to registers would have no impact on funding as it was within allowable tolerance. The management response was accepted.

Ms Raynes concluded the assignment outcome was a very good result.

10. **Internal Audit: College Action Report:** The committee received the college tracking report which had been included in the papers for the meeting. Mrs Searle summarised the previous points which had been cleared and the inclusion of the two new issues arising from the January 2020 assignment. Report accepted.

11. **Risk Management:**

11.1. The spring term 2020 risk register and policy had been included in the papers for the meeting and was received with the updates highlighted. There had been no change in the ranking of the risks; Student Recruitment / Competition remained the top; funding second and quality third.

11.2. Mrs Flannery reported against the top ten risks reflecting on key active internal controls:

11.2.1. **Student recruitment:** Mrs Flannery advised that the applications were 400 ahead of the same point last year, which, after conversion, should increase the number of enrolments by 100. She reviewed the marketing and recruitment activities that had contributed to the positive swing including increased social media campaigns and use of digital platforms. Mr Sheta asked where the extra applicants were coming from. Mrs Flannery attributed it to the impact of social media effort and, because other colleges were also noting stronger recruitment, a larger number of potential recruits. She said that the hard work would continue to ensure the positive gap was maintained through to enrolment.

Competition: Mrs Flannery emphasised the commitment to remaining competitive and responsive in terms of the course offer which is reviewed each year. She reflected on the Government's drive towards an offer of A level or T level but said students remain interested in the applied general course offer

11.2.2. **Funding:** Closely related to risk one, Mrs Flannery referred to the re-forecasting triggered by the under-recruitment of students for the current academic year. Further detailed reworking of the financial planning for 2018/19 – 2022/23 had been signed off with the approval of the Governing Body and filed with the ESFA via the new Integrated Financial Model for Colleges (IFMC). She confirmed that delivery of the agreed plan to reduce staff by 4 to 6 FTE, a critical indicator for the FE Commissioners view of the college's financial position and a return to "good" financial health, was on track with some severance agreements in place.

Mrs Flannery confirmed that the increase in base funding rate was reflected in the indicative grant allocation for 2020 – 2021 and explained that some clarity was being gained around a cost of living award for staff, likely to be a two year settlement slightly higher than the college had budgeted for, backdated to September 2019. The increase in the teachers' pension scheme would be relieved by grant for the current year.

- 11.2.3. **Quality:** Mrs Flannery announced publication of the DfE performance tables committee was reminded that most of the applied general outcomes were excluded from the tables as they were not the reformed qualifications, however ALPS assessment undertaken by the college showed the results to be good. In summary, Mrs Flannery said quality was currently good and Mr Thompson confirmed that the college was coming out well against other London colleges. Mrs Flannery report fully in her Principal's report to governors in March.
- 11.2.4. **HR: Staff Recruitment & Retention, Employer Relations:** Mrs Flannery reported staffing was reasonably settled and that there were some vacancies for next academic year. She said the current round of national strike days was due to end the following week and would be followed by a further ballot. She affirmed that relations were good with the professional associations and their argument was not with the college.
- 11.2.5. **Reputation:** Mrs Flannery reviewed steps being taken to ensure IT security and issues arising from a review of Health and Safety. She confirmed that safeguarding and prevent practices were very strong. She said that the college was reviewing policies in response to the coronavirus pandemic and would be following government / DfE / sector advice and guidance. Mr Vianello asked how students work, tasks and papers etc would be distributed if the college had to close. Mrs Flannery and Mr Thompson described the range of online teaching and learning resources that were in place and confirmed that the expectation would be that students continued to work.
- 11.2.6. **Catholic Ethos:** The college was actively preparing for denominational inspection expected to take place at the end of this year of next. Mrs Flannery reported that the Chaplain was currently on long term sickness but the post was being covered by an experienced replacement on a fixed term contract ensuring the continuation of Mass and morning prayer. She said that the General RE programme was progressing well.
- 11.2.7. **Non-Core Activity:** Mrs Flannery reported some increase in income from lettings mainly attributable to the MUGA pitch and said new ideas were being explored to expand income. Mr Vianello commented that non-core activity would be at risk from the impact of the coronavirus. Mrs Flannery confirmed that there were no mass gatherings booked but activity and lettings, including hire to former community education tutors, would be assessed in line with government guidance and the forecast may be affected. Mrs Plumb said that the MUGA would be resurfaced during the Easter holiday to address issues with wear and tear, putting it out of action for two weeks which could potentially reduce income although some monies had been withheld to offset this.
- 11.2.8. **Health and Safety:** Mrs Plumb updated the committee with progress in response to the health & safety audit undertaken in October 2019 and the conditions of estate survey which included the Nursery accommodation.
- 11.2.9. **MIS / IT:** Mrs Flannery reported that the Apple iPad project was underway and a successful show and tell event had been held the previous week, attended by representatives from six other colleges, as part of the Apple Distinguished regional training centre application. She announced a review of IT support services was underway, with due diligence, to assess how the quality of provision could be best maintained.
- 11.2.10. **Estates and Plant:** It was noted that the outcome of two bids was awaited, one of which (CIF) would, if successful, fund upgrades to key fire and

safety compliance works identified and prioritised in the conditions of estate survey.

Safeguarding was discussed and it was agreed that it should be listed in the register as a separate risk and would be included and ranked in the next revision.

ACTION: Mrs Flannery, Mrs Plumb, Mrs Lewis.

Mr Sheta asked Mrs Searle about her experience of completing and filing the IFMC. She explained the purpose and process and described the extensive depth of information that had been required to complete the detailed template. She had been pleased that the submission had been made by the deadline and matched the agreed financial plan. Mrs Searle commented that the funding allocation had been received after the IFMC had been filed. The intention is for one submission on 31st January each year. Ms Raynes confirmed that other college clients echoed that the IFMC had required a lot more work than the previous financial forecasting returns. Feedback was awaited from the ESFA.

12. **Board Assurance Framework:** The current (May 2019) BAF had been included in the papers for the meeting. The design of the assurance framework was reviewed and confirmed to be effective.
ACTION: Mrs Lewis to update the BAF for the next meeting by mapping it to the summer 2020 version of the risk register.
13. **Internal Audit Strategy for 2020 – 2021:** Mrs Plumb introduced the IAS Planning 20 – 21 initial discussion document which had been included in the papers for the meeting. The committee considered suggested areas to be scoped, informed by college management and Ms Raynes, and agreed that Key Financial Controls and Safeguarding should be reviewed. Ms Raynes would scope an assignment to cover these areas within the same overall 9½ day plan as the current year. Ms Raynes advised that a contingency of one day remained from this year which could be rolled over. It was decided that a third area relating to IT systems conforming to ISO standards, as required by the funding agreement, which Ms Raynes said would require a slightly higher input would be included in a future strategy. Mrs Plumb said there was work to be done on the ISO.
ACTION: Ms Raynes to produce a scoped assignment for the next meeting.
14. **Committee terms of reference:** A draft update had been included in the papers for the meeting, for routine review and was agreed, subject to correction of a typing error at 2.8. The next routine review would be in two years in March 2022.
ACTION: Updated terms of reference to be recommended for adoption to the full Governing Body on 17th March 2020.
15. **Insolvency Guidance:** The committee received the updated DfE guidance in the revised version, dated January 2020. Mrs Lewis summarised the changes.

Ms Raynes left the meeting at 6.24pm

16. **Auditors Performance Reviews:** The committee, in consultation with the management team present, reviewed the performance of Buzzacott and of RSM using the performance indicators questionnaire which had been included in the papers for the meeting.
 - 16.1. **Review of the performance of Buzzacott, Financial statements auditors and setting of PI's for year end 2020:** The evaluation confirmed overall satisfaction with the audit work for the accounting year ended 31st July 2019 and a recommendation for continued appointment for the end of year, July 2020, audit. The same performance indicators would be used next year with the addition of consideration of whether the

firm and its service represented good value for money.

ACTION: Recommendation of continued appointment to be made to full Governing Body on 17th March 2020. Mrs Lewis to notify Buzzacott subsequently of the outcome of that recommendation.

- 16.2. **Review of the performance of RSM, Internal Audit Service and setting of Pl's for 2020 – 2021:** The evaluation confirmed overall satisfaction with the internal audit service work for 2019 – 2020 and a recommendation for continued appointment for provision of the internal audit service strategy for 2020 - 2021. The same performance indicators would be used next year with the addition of consideration of whether the firm and its service represented good value for money.

ACTION: Recommendation of continued appointment to be made to full Governing Body on 17th March 2020. Mrs Lewis to notify Buzzacott subsequently of the outcome of that recommendation.

Mrs Meier asked how long the college had been engaged with both firms and following discussion it was agreed that market testing should be undertaken for both the external (financial statements) and internal audit services.

ACTION: Mrs Searle, Mrs Plumb.

17. **Any other business:** Mr Sheta signed the “Terms of engagement between St Francis Xavier 6th Form College and its subsidiaries (“the College”) and Buzzacott LLP (“Buzzacott”)”.

18. **Date of next meeting:** Tuesday 5th May 2020.

The meeting closed at 6.38pm

SIGNED agreed to be true and accurate

DATE: 5th May 2020

Distribution:

Mr N Sheta	Mr R Vianello	Mr S Ebele
Ms L Raynes RSM	Mrs B Meier	
Mrs M Searle	Mrs S Flannery	Mrs S Plumb
	Clerk	Mr G Thompson