

**MEETING OF THE FULL GOVERNING BODY  
Tuesday 15<sup>th</sup> November 2022, 6pm  
Held remotely via online video conferencing platform**

College mission statement:

*St Francis Xavier Sixth Form College is an inclusive educational community rooted in the Catholic faith, that has Christ at its centre. Our aim is to provide a broad curriculum which emphasises the pursuit of excellence and focuses on career preparation, leadership and service to others. We are committed to preparing the whole person to lead a life of purpose and success in a just and sustainable world.*

March 2022

**MINUTES**

**PRESENT:**

Mr N Sheta, Chair, Foundation Governor	Mr G Thompson, Principal
Mr M Belfourd, Vice-chair, Foundation Governor	Mrs E Preece, Staff Governor (non-teaching)
Mr S Ebele, Foundation Governor	
Mrs B Meier, Foundation Governor	
Mr D Navarro, Foundation Governor	
Mr K Thomas, Foundation Governor	
Mr C Uraih, Foundation Governor	
Mr P Barber, Foundation Governor (joined 6.21pm)	

**IN ATTENDANCE:**

Mrs C Biscoe, Partner, Buzzacott LLP  
Mr C Graham, Associate Principal, Ethos and Student Welfare  
Mrs M Searle, Director of Finance & Resources  
Mrs E Lewis, Clerk to the Governors  
Mrs S Medicoff, Non-governor member of F&R Committee

**The meeting was opened at 6.10pm by Mr Sheta. The meeting was quorate throughout and all present could see / hear one another.**

- 1. OPENING PRAYER:** offered by Mr Thompson
- 2. WELCOME & INTRODUCTIONS:** All were welcomed by Mr Sheta. It was noted that Mr Freeman, Foundation Governor, had stepped down from the governing body.
- 3. APOLOGIES FOR ABSENCE:** Received from Ms P Rowe, Ms K Bainbridge, Mr J Manduvi and Mr T Posnic-Boyce were accepted. Mr Barber had advised that he would be late joining the meeting.
- 4. DECLARATION OF INTERESTS:** There were none.

**Mr Ebele, Chair of Audit Committee, took the chair.**

**5. END OF YEAR, JULY 2022 REPORT AND ACCOUNTS:**

**5.1. FMCE<sup>1</sup>:** Mrs Searle introduced the non-mandatory self-evaluation for 2021 – 2022 which had been included in the papers for the meeting. She confirmed the self-

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<sup>1</sup> Financial Management Control Evaluation

evaluated overall grade of “good” (the same as in previous years) and explained the areas where improvement was required. Mr Belfour said that reflecting on the questions to complete the document was a good discipline. He noted that producing a similar evaluation was compulsory for Academies. The improvement plan would be monitored by report to the audit and F&R committees.

**FMCE accepted.**

**5.2. Financial Statements for year ended 31<sup>st</sup> July 2022:** Mrs Biscoe, Engagement Partner, Buzzacott LLP (external auditors), introduced the financial statements and post audit report which had been included in the papers for the meeting.

**5.2.1. Report & Financial Statements (Consolidated Accounts) for year ended 31<sup>st</sup> July**

**2022:** Included in draft in the papers were taken as read, Mrs Biscoe confirmed that the format of the statements followed the requirements of the ESFA Accounts Direction. She noted the summarised financial results on page 6 including the headline result that the college had incurred an operating deficit in the year of £498,000 (£724,000 in the previous year) with an operational surplus of £486,000 after adjustments. Mrs Biscoe noted the significant reliance on ESFA funding agency grants of 92%. Investment in the subsidiary company, which generated £50,046, transferred to the college under deed of covenant, and the treasury (reserves) policy showed governors oversight of the solvency of the college.

Mrs Biscoe noted a £5m increase in reserves to £11m and a decrease in pension liability by £5m to £1,102,000. She explained how the reserves are linked to decline in liability.

The principal risks and uncertainties on page 11 reflected the risk management of the college with student recruitment being the key risk closely linked to funding and finance.

The Statement of Corporate Governance and Financial Control from page 17 was noted to adhere to ESFA requirements.

Mrs Biscoe advised that the statement of Regularity, Propriety and Compliance on page 26 confirmed that no instances of material irregularity, impropriety or funding non-compliance had been discovered to date.

[Mr Barber joined the meeting]

Mrs Biscoe informed governors that The Independent Auditor’s Report to the Governing Body of St Francis Xavier 6<sup>th</sup> College on page 29 confirmed that the opinion was clean. The Reporting Accountant’s Assurance Report on Regularity (page 33) confirmed the statement that the regularity conclusion was also clean.

Mrs Biscoe reviewed the headline consolidated and college financial statements from page 35.

Mr Sheta asked why there had been such a large reduction in pension liability. Mrs Biscoe referred to the explanations in the post-audit report and notes to the accounts, summarising that liabilities in the scheme had reduced as result of the impact of the discount rate. She explained that this was a snapshot position not part of the operational result. Mr Navarro clarified that this meant that because interest rates had gone up, the present value of the liability for the college was lower. Mrs Biscoe confirmed that it was the discount rate on the bond that was driving the reduction. She explained that this was an actuarial valuation at year-

end but the three yearly valuation that drives the contributions had not yet taken place. She commented that some triennial valuations in other colleges were showing some positives, creating reductions in the contributions due.

Mr Belfourd commented that the new [Business Hub] building, now complete, was shown as under construction and therefore exempt from depreciation. Mrs Biscoe confirmed that this was the correct position within fixed assets.

Mr Barber referred to the recognition of tangible fixed assets at note 9 to the financial statements and asked whether IFRS 16 was operative in relation to the land and buildings owned by the Diocese. Mrs Biscoe confirmed that the standards followed were FRS 102, advising that following IFRS 16 was not allowed. Mr Barber asked when the rationale was last looked at whether there was an intention for it to be reviewed.

Mrs Biscoe advised that it was a current account direction introduced about ten years previously. She said she was not aware of any pending review and that a variation would likely only occur if there was a change in the relationship between the college and the Diocese. She confirmed that the latest accounts direction had been applied.

Mr Belfourd said that the accounts were clear and followed ESFA guidelines. The college's accounts, as an exempt charity, were less complex than for a school.

**The Report and Financial Statements for the Year Ended 31 July 2022 were accepted as presented and would be recommended for signing to the next meeting of the full governing body on 8<sup>th</sup> December 2022.**

**5.2.2.Post - audit Management Report for year ended 31 July 2022:** Mrs Biscoe introduced the report which included SFX Corporate Services Limited and including Regularity. The report had been included in the papers for the meeting. Mrs Biscoe explained that the purpose of the report was to communicate the findings of the audit with the governing body. She expressed thanks to Mrs Searle and her team for their support of a smooth audit and confirmed that the report was clean in terms of findings arising.

With reference to the Outstanding Items section on page 3, it was confirmed that any liability likely to arise for the college with regard to the *Harper Trust* case which led to changes in holiday entitlement for part time staff, would be immaterial. Mr Ebele asked why that would have been considered to be material and Mrs Biscoe explained that it would have depended on the value of the liability.

It was noted that page 4 explained the audited results compared with the previous year – recording an operational surplus of £486k for 2022 and £152k for 2021. The budget prediction for 2022 had been a deficit of £166k.

Mrs Biscoe drew attention to page 5 which set out the obligations of governors regarding the use of the going concern basis in the financial statements. She reminded governors of the need to be looking at the forecast on a 12 month basis taken from the date of formal approval of the accounts.

The explanation of one adjustment made to the figures presented for audit was noted on page 7 related to a revision by the actuary of the LGPS valuation report.

Mrs Biscoe advised that the key audit risks set out on page 9 were as discussed with the Audit Committee in May 2022.

The post audit management report confirmed the conclusion that the audits were clean.

Mrs Biscoe confirmed from page 10 that the audit had reviewed the work of RSM on learner numbers in the year obviating the need to carry out more detailed additional work required by a change of scope in the Audit Code of Practice published in March 2021. Reference was seen on this page to “assets under construction” – the point made by Mr Belfourd earlier in the meeting.

Mr Ebele asked whether the college’s amendment to the treatment of its 16 – 18 bursary income was a matter for concern. Mrs Biscoe assured him that this was a disclosure point arising from an oversight that had no impact. Mr Belfourd recalled that there had previously been different choices across the sector of whether it was an agency arrangement or not. Mrs Searle explained how CFFR had changed that and said that the monthly management accounts provided to governors had been adjusted to show the 5% admin charge more consistently, like for like, for budgetary control. She said that there would be statutory adjustment each year to gross up bursary income – the bottom line would be unaffected.

Mr Ebele commented that the report and appendices were clear and helpful in particular the sector information and Appendix 3 which compared financial ratios used to grade the financial health of the college.

**The report was accepted and noted to be clean in terms of findings and process.**

Mr Ebele expressed thanks to Mrs Searle and her team on behalf of governors.

Mr Ebele asked whether there would be guidance on the revised auditing standards around controlled risk in the IT environment, noted as a current development on page 14. Mrs Biscoe confirmed that Buzzacott would be compiling guidance to support advance preparation. Mrs Biscoe assured Mr Ebele that, based on what was already known, the college should have no undue concern beyond the slight increase in preparatory work.

- 5.2.3. **Letter of Representation:** had been included in the papers for the meeting. Mr Belfourd confirmed this to be the usual, standard letter of representation.  
**ACTION, Mrs Lewis: Letter to be produced on college headed paper for signing with the accounts at the meeting of the governing body on 8<sup>th</sup> December 2022.**

Mrs Biscoe was invited to discuss how the recommendation to review student number data on a regular basis could be best achieved now that the Internal Audit Service (IAS) had disengaged from the college. She reiterated the benefits of greater efficiency and value to college to maintain an internal audit review of the learner numbers. She said that whilst an external audit could undertake the work directly it would add to the scope but wouldn’t give the same level of assurance. It was acknowledged that firms providing an IAS were moving away from Sixth Form Colleges. Some of the reviews could be undertaken by specialist consultants. Mrs Biscoe suggested that there were some internal audit firms who would provide learner number reviews or assurance on a rotations basis and she would pass on their details to Mrs Searle. The alternative prospect of sharing a

service with other colleges had been suggested and, although Mrs Biscoe had not come across this in operation as yet, she would raise the question.

6. **CLOSE:** Mr Sheta closed meeting at 6.52pm with thanks to all.

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

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

<p><b>Date of next meeting of the full Governing Body: Thursday 8<sup>th</sup> December 2022</b></p>
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