



FINANCE, STAFFING & GENERAL PURPOSES COMMITTEE
(Joint Meeting with the Audit Committee)

Minutes of Meeting on Thursday 1 December 2016

Present:	Mr J Turner	Chair of Governors
	Ms S Munden	Staff Governor
	Ms S Overton-Edwards	Principal
	Mr H Solanki	Parent Governor
<i>Together with members of the Audit Committee</i>		
	Mr H Hadani (Chair)	Governor
	Ms N Cuffy	Governor
	Ms M Moore	Governor
	Mr J Pain	Governor
In Attendance:	Mr H Ravat	Vice Principal Resources
	Mr R Mansfield	Clerk
	Mr G Jones	RSM UK Audit
	Mr M Matley	RSM UK Audit

Ref.		Action
F/16/61	<p>Item 1 – Apologies for Absence: An apology for absence was received from Steve Holderness. Mark Ashton-Blanksby had also asked that his apology should be recorded, although his attendance had not been required. The meeting was declared quorate. It was agreed that Harnish Hadani should chair the joint meeting. Harnish Hadani welcomed Gareth Jones and Mark Matley of RSM UK Audit.</p>	
F/16/62	<p>Item 2 – Declarations of Interest in Agenda Items: There were no declarations of interest in agenda items.</p>	
F/16/63	<p>Item 3 – Annual Report and Accounts 2015/2016: Hamid Ravat presented the Annual Report and Accounts for 2015/2016. The financial reporting standard FRS102 had been applied for the first time, together with the latest version of the SORP; these had caused changes in presentation and terminology, which he summarized, but had had no significant material impact on the accounts themselves. There was now more emphasis on the health of the College as a going concern. The contents of the report and accounts had drawn upon available templates insofar as appropriate. Hamid Ravat then presented in turn the various</p>	

sections of the annual report, emphasizing the responsibilities of the Corporation that were stated therein.

The Statement of Comprehensive Income (previously the Income and Expenditure Account) showed that the increase in income attributable to higher enrolments had been largely offset by increases in the costs of the additional (employed and agency) teaching staff required. A surplus of £25K had been achieved for the year. (The FRS17 pension adjustment had, unusually in recent years, been favourable.) The Balance Sheet showed a picture of continuing, and slightly improved, solvency. Hamid Ravat pointed out the changes necessitated by FRS102. These had not significantly affected the reported financial health of the College.

Jim Pain asked questions about the College's liabilities for the defined benefit pension scheme. RSM UK explained that adjustments to the College's estimated liability were made upon the basis of regular actuarial assessments, the underlying assumptions for which RSM UK scrutinized. Various factors, including life expectancies and projected yield on investments, were taken into account. The provision for liability was a snapshot. The College (rather than the scheme) was in the long run liable for any reported shortfall in contributions required to pay the pensions of the College's retirees. Hamid Ravat said that were the shortfall to crystallise, for example because the College ceased operating, it would be usual for the required payments to be spread over a period of about 20 years.

Hamid Ravat then presented the Statement of Cash Flows. This showed that cash had increased by £149K over the year. Mark Matley observed that the College's underlying financial performance was even stronger than this suggested.

Hamid Ravat briefly presented the accounting policies upon which the accounts were based. The policies were largely unchanged from those followed in the previous year. Jim Pain asked whether the College obtained discounts for the prompt payment of invoices. Hamid Ravat said that such discounts were very rarely offered now.

Gareth Jones and Mark Matley confirmed that Hamid Ravat had provided a comprehensive presentation of the report and accounts, upon which their audit report was unqualified. The College was in a strong financial position. In answer to John Turner, Gareth Jones said that he believed that the College was 'in the upper quartile' for financial strength. Nelista Cuffy asked why the changes in presentation had been necessary. Gareth Jones said that the aim was to improve international consistency in financial reporting. More changes were likely before 2020.

The meeting unanimously commended the Annual Report and Accounts to the Board for formal approval.

F/16/64

Item 4 – Management Report of Financial Statements Auditor:

Mark Matley presented the draft Audit Findings Report for the year ended 31 July 2016. There had been no qualifications to the accounts. The report set out the principal audit risks identified: these were risks that applied generally across the sector. He asked the meeting to note the section relating to the retention of the unspent free meals allowance. John Turner asked whether there was any remaining risk that these funds might be clawed back by the Education Funding Agency. Hamid Ravat assured him that there was no such risk. Colleges had been left with residual gains or losses on the amounts that they had received. Harshad Solanki asked whether all students had been properly informed about the availability of free meals. Hamid Ravat said that this facility was fully explained during induction.

RSM UK had checked that the calculation of liability to the Local Government Pension Scheme had been based upon what appeared to be reasonable assumptions.

RSM UK had concluded that governors had reasonable evidence to justify their judgment that the College should be treated as a going concern, although it might be necessary to revisit this in the light of the outcome of the Area Based Review.

No evidence had been found of breaches of management control systems, or of accounting errors arising from the application of SORP 2015. There was also an updated commentary regarding the Blackbird Road land.

The report concluded that there had been no improprieties, irregularities or control issues and that the correct disclosures had been made. Mark Matley invited the Committees to commend the letters of representation for approval by the Board. Harnish Hadani thanked RSM UK Audit and Hamid Ravat for their excellent efforts.

The meeting received the report and unanimously commended the Letters of Representation to the Board for formal approval.

F/16/65

Item 5 – Minutes of Meeting of the Audit Committee on 20 September 2016 and Matters Arising:

The minutes of the meeting of the Audit Committee on 20 September 2016 were accepted as an accurate record and were duly signed by Harnish Hadani. The actions listed had been taken as required.

F/16/66

Item 6 – Recommendation Tracking:

Hamid Ravat presented the recommendation tracking report. The one outstanding item, relating to the health & safety policy, would be considered by the Finance, Staffing & General Purposes Committee later in the meeting.

The meeting received the recommendation tracking report.

As there was no other business for the Audit Committee, and Gareth Jones said he had no reason to request a private meeting, RSM UK Audit and members of the Audit Committee left the meeting. John Turner took the chair.

F/16/67

Item 7 – Minutes of the Meeting of the Finance, Staffing & General Purposes Committee on 15 November 2016:

The minutes of the meeting of the Finance, Staffing & General Purposes Committee on 15 November 2016 were accepted as an accurate record and were duly signed by John Turner. The required actions had been taken. However Suzanne Overton-Edwards said that she would double-check that the policies displayed on the website were all the latest versions.

SOE

F/16/68

Item 8 – Policies for Review:

8.1 Health, Safety and Fire Policy

Hamid Ravat advised the Committee that the previous health and safety policy had now been retitled the health, safety and fire policy and its content had been extended accordingly. Harry Wheatcroft had provided the new content required. Otherwise the policy was largely unchanged. Cross-references to other related documents had been included.

John Turner commended the latest policy as very comprehensive and asked that the thanks of the Committee should be passed to Harry Wheatcroft.

HR

The Committee commended the policy to the Board for endorsement.

8.2 Bursary and Discretionary Funding Policy

Hamid Ravat paid tribute to Shirley Munden as the main author of the bursary and discretionary funding policy and for her diligence in its application. John Turner asked for fuller details of the process for administering the bursary and discretionary funds. Shirley Munden explained the various stages at which applications might be submitted, the processes for dealing with them and some of the complications that could arise. Hamid Ravat then presented the main elements of the policy. Shirley Munden highlighted the emphasis on consistency. There were however routes open for dealing with exceptional instances of distress. John Turner thanked Shirley Munden and her team for their work.

The Committee commended the policy to the Board for endorsement.

F/16/69

Item 9 – Dates and Times of Next Meetings:

The dates and times of the next meetings were confirmed as follows:

Finance, Staffing & General Purposes Committee – Thursday
19 January 2017 at 5.30 p.m.

Audit Committee – Tuesday 14 March 2017 at 5.30 p.m.

F/16/70

Item 10 – Any Other Business:

There was no other business. As noted earlier RSM UK Audit had declined the offer of a private meeting without staff present.