

NEW COLLEGE, SWINDON

Minutes of the Finance and General Purposes committee  
held on 30<sup>th</sup> October 2018

Present: Jim Webster (Chair), Dennis Bridges, John Dernie, Carole Kitching

With Richard Harris – Vice Principal Finance and Resources  
Deborah Bendle – Head of Finance  
Michael Dickinson – Financial Accountant and Procurement Manager  
Tracy Scaife – Clerk to the Corporation.

1494 Apologies for absence – received from Les Durrant

1495 Disclosures of Interest – none.

1496 Minutes of the last meeting held on 2<sup>nd</sup> October 2018 – agreed as a correct record.

1497 Matters arising from the minutes of the last meeting held on 2<sup>nd</sup> October 2018 – none.

1498 Risk Management update – report by Vice Principal Finance and Resources received and noted.

The meeting noted that the main risks to the college remain unchanged from the previous meeting.

The Principal gave an update and further information on the Institute of Technology (IoT). The college involvement in the IoT is bigger than previously noted. Current Higher Education (HE) Science, Technology, Engineering and Maths (STEM) provision will transfer to the IoT. Concerns regarding encroachment into other areas of college provision were discussed. The only 'exit clause' currently relates to financial changes, there is no natural break clause for the 5 year period of the initial project. The main financial risks rest with Swindon College. It was noted that the proposed learner numbers for the IoT are very ambitious and while local employers are currently very enthusiastic about it they are not yet committing to it.

1499 Risk Appetite Statement – report by Vice Principal Finance and Resources received and noted.

**RESOLUTION:** that the Risk Appetite Statement be agreed and referred to Corporation on 29<sup>th</sup> November 2018 for approval.

**ACTION:** TS to place item on agenda for Corp 29.11.2018 for approval of Risk Appetite Statement

1500 Management Accounts – Period 2 – report by Finance Team received and noted. The Vice Principal Finance and Resources apologised for the delay in getting the report to the committee.

The headlines for the period were noted – year-end surplus lower than budget, forecast for 14-18 learner numbers currently reporting a shortfall of up to 100, pay forecast to overspend against budget, non-pay other costs have decreased in line with the reduction in AEB and loan income from prison delivery due to the ESFA rule change resulting in no prison delivery, non-pay Partnership costs have increased in line with increased income across 14-18, AEB and HE funding streams. The increase to pay if a 2% pay award is given was noted. With regard to FRS102 the Financial

Accountant and Procurement Manager advised the meeting that the amount budgeted for this year was based on 2016/17 outturn as it was set before the figure for 2017/18 was received.

It was further noted that the Period 3 management accounts will give a much more robust picture of the financial position.

1501 ESFA Funding Assurance Review – report by Vice Principal Finance and Resources received and noted.

Following the Review, the net funding adjustment will be £11k. The Management Letter which will include any recommendations has not yet been received. A feedback meeting on the Review has been offered and will be taken up. Once received the Management Letter will be considered by the Audit committee with other members of the Corporation invited to attend.

***ACTION:*** *TS to invite all members of Corporation to Audit committee when ESFA Funding Assurance Review Management Letter presented.*

1502 Audit Completion Report (Management Letter) – received and noted.

Concerns were raised that the Brewin Dolphin AAF01 report was raised for a second time by the external auditors. The concern is that their auditors latest internal controls report has a ‘qualified’ opinion due to some internal control failures. This has been raised as a risk by the college external auditors.

The meeting also noted that all financial accounts relating to Great Western Academy (GWA) have been checked and reconciled.

**RESOLUTION:**

(i) that the Chair of the committee contacts Simon Bird at Brewin Dolphin asking him to provide assurance to the college that they have taken or plan to take further corrective actions and when they were or will be completed;

(ii) that the Audit Completion Report (Management Letter) be presented to Corporation on 29<sup>th</sup> November 2018.

***ACTION:*** *JW to contact Brewin Dolphin re. assurances on actions to rectify their audit qualified opinion. RH to present Management Letter to Corporation 29.11.18*

1503 Date of next meeting – Tuesday 29<sup>th</sup> January 2019 at 1700.

1504 Any other business – none.

1505 Annual Report and Accounts – year ended 31<sup>st</sup> July 2018 – confidential minutes refer.

1506 Annual Pay Award – confidential minutes refer.