

RICHMOND AND HILLCROFT ADULT AND COMMUNITY COLLEGE

MINUTES

of the meeting of the Board of
Richmond and Hillcroft Adult and Community College
held at 5.30 pm on Thursday 24 November 2022 at Parkshot (RBS 22)

Present: Prof. Andrew George, Chair
Mr Richard Brewster
Ms Kate Clarke (remote)
Ms Renuka Fernando
Ms Gabrielle Flint, Principal
Mr David Izett (remote)
Mr Nick Jones (remote)
Mr Dave Munby
Ms Claire O'Donnell (remote)
Ms Jane O'Shea
Ms Sharon Raj
Mr John Riglin
Mr Graham Tharp, Staff Governor (remote)
Mr Nigel Ware (remote)

In attendance: Mr Neil Wallbank, Vice Principal Finance & Resources (VP, F&R)
Ms Jaqueline Miles, Head of Finance
Ms Catherine Biscoe, Engagement Partner, Buzzacott LLP (Remote)
Mrs Sara George, Interim Clerk

The meeting remained quorate throughout.

1.	<u>APOLOGIES FOR ABSENCE</u> There were no apologies for absence.	
2.	<u>DECLARATIONS OF INTEREST</u> None	
3.	<u>ANNUAL REPORT AND FINANCIAL STATEMENTS</u> Post Audit Management Report Catherine Biscoe, Engagement Partner at Buzzacott LLP, presented the Post Audit Management Report for year end July 2022. She noted that the GLA and ESFA funding audit results are awaited, along with the year-end funding reconciliations from the ESFA and GLA. Until these are received Buzzacott will not be in a position to sign-off the financial statements. However, no significant issues are anticipated, and the accounts should be available for approval at the 8 December Board meeting, subject to the year-end reconciliations being received. The unqualified financial statements and regularity audit opinions, plus the operational deficit of just over £1m were noted. Buzzacott provided positive assurance that RHACC is a going concern. Ms Biscoe reported that there were no significant deficiencies in internal controls. Two low priority recommendations have been made regarding maintenance of a fixed asset register and keeping an audit trail of changes to student data. The fixed asset register will be incorporated into the financial system software. Mr Ware questioned the payment of funds resulting from the ESFA residential and learner support funding review. The VP F&R reported that an invoice was received for £29k, which has been paid. The amount repaid reflects an overachievement of funding targets in earlier	

	<p>years which has reduced the amount of clawback to be repaid. It is not believed that this is an error by the ESFA.</p> <p>The Harper Trust v Brazel ruling, as mentioned in the accounting estimates section of the report, was queried. Ms Biscoe explained that this was related to an announcement by the Supreme Court about holiday pay for variable hours staff which could be a potential material liability for employers going back for two years. However, it is proving not to be a material issue across the sector. The VP F&R noted that whilst RHACC are still working through the implications of the ruling, the results are likely to be immaterial.</p> <p>Both the Chair and the Audit Committee Chair confirmed to Ms Biscoe that they were unaware of any incidences of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets.</p> <p>The large decrease in RHACC's pension liability, in the graph on page 21 of the report, was questioned. Ms Biscoe noted that there was an error in the graph which would be rectified for the Board meeting on 8 December. In response to a request from the Chair, Ms Biscoe agreed to share the data behind the graph with the VP F&R so that this could be made available to the Board at its meeting. Surprise was expressed that RHACC's pension liability had reduced to £1m; Ms Biscoe noted that some pension schemes within the sector are now in surplus.</p> <p>It was agreed that the Audit Committee Chair would have a confidential chat with Ms Biscoe, which will include Buzzacott's observations as to how RHACC is comparing to similar colleges within the sector. The Audit Committee will then feedback to the Board.</p> <p><i>The Board noted the draft Post Audit Management Report.</i></p> <p>Annual Report and Financial Statements</p> <p>Catherine Biscoe, Engagement Partner at Buzzacott LLP, presented the Annual Report and Financial Statements, noting that they follow the requirements of the ESFA accounts direction and the Charity Commission.</p> <p>Noting that the College does not currently have a formal Reserves Policy, the Chair asked Ms Biscoe whether, due to the falling cash position, this was something that should be reconsidered. Ms Biscoe replied that while it is usual within the charity sector, it is common for FE providers not to have a formal policy. She added that it may be useful to consider formalising the range of reserves in which the college will operate as the situation tightens. It was agreed that the Finance & Resources Committee will be asked to consider the creation of a formal Reserves Policy.</p> <p>Ms Clarke queried the energy and carbon reporting detail and whether the figures indicated a good level of emissions and energy efficiency or not. The VP F&R noted that it was now compulsory to include this information. Ms Biscoe added that benchmarking data will begin to become available when other colleges publish their financial statements, however as all buildings will be different, internal KPIs and monitoring may prove more useful. Ms Biscoe agreed to try to find useful benchmarks. It was agreed to include trend data in reports going forward.</p> <p>Mr Jones suggested that the Board should revisit the charitable object of the College regarding maintaining one or more residential colleges, as this was no longer the case. The Principal noted that RHACC can still be funded to offer residential provision for learners if they need it, and this was why the object had remained in place. It was agreed that the residential object, along with the wording of the second object regarding the national development of women's education, and the gender definitions within the first object would be reviewed by the Board at a future meeting.</p>	<p>Buzzacott</p> <p>VP, F & R</p> <p>Mr Jones</p> <p>VP, F & R</p> <p>Clerk</p>
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4.	ANY OTHER BUSINESS None.	
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