

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 25 November 2021 via Microsoft Teams.

Present: Mr Richard Brewster
Ms Kate Clarke
Ms Gabrielle Flint, Principal
Mr David Izett
Mr Nick Jones
Mr Dave Munby
Ms Jane O'Shea
Ms Farah Rachlin, Vice Chair
Ms Sharon Raj
Mr Paul Simmons
Mr Graham Tharp, Staff Governor
Mr Nigel Ware

In attendance: Mr Neil Wallbank, Director of Finance & Resources and Clerk (DoF&R), Clerk
Ms Jacqueline Miles, Head of Finance
Catherine Biscoe, Buzzacott Engagement Partner
Mrs Sara George, Executive PA to the Principal

The meeting remained quorate throughout.

	<p><u>WELCOME & APOLOGIES FOR ABSENCE</u> Professor Andrew George (Chair) sent his apologies.</p> <p>Ms Rachlin welcomed everyone to the meeting and reminded governors that the recently revised Post-16 ACOP requires external auditors to present their findings to the full Board. The purpose of the meeting was for the Board to hear the presentation from Buzzacott and note their reports, along with the Annual Report & Financial Statements, prior to approval at the meeting on 9 December.</p>	
	<p><u>a) DECLARATIONS OF INTEREST</u> None</p>	
	<p><u>ANNUAL REPORT AND FINANCIAL STATEMENTS</u></p> <p>a) Annual Report and Financial Statements</p> <p>The Director of Finance & Resources presented the draft Annual Report and Financial Statements, informing the Board that a few minor changes had been made to the version previously circulated resulting from feedback from the Chairs of the Finance & Resources and Audit Committees. Governors were asked to provide any further feedback to the Director of Finance & Resources.</p> <p>The Director of Finance & Resources noted that the final reconciliation statements for the 2020/21 academic year had not yet been received from the ESFA nor the GLA. Whilst the College has achieved over 90% of its ESFA funding allocation and should not therefore be subject to clawback, the GLA has stated that RHACC's business case to retain allocated funds has been accepted, subject to the final approval of the Mayor at the end of November. Once this final reconciliation has been received, the figures will be finalised.</p> <p>It was noted that the external auditors have agreed that RHACC is a going concern. Results for the year show a surplus of £775k, after pension adjustments. The balance sheet shows a</p>	ALL

	<p>year end cash balance of £4.1 million, but this includes £1.8 million of ESFA funding owing to the ESFA which is due to be repaid.</p> <p>b) Buzzacott Post Audit Report</p> <p>Catherine Biscoe, Buzzacott Engagement Partner, presented the Post Audit Report, confirming to the Board that they will be giving a clean audit opinion on both the Financial Statements Audit and the Regularity Audit. There are no material uncertainties highlighted and Buzzacott can provide positive assurance that RHACC is a going concern.</p> <p>Ms Biscoe highlighted the audit observations and recommendations within appendix two of the Post Audit Report and noted that that only one grade b and two c recommendations had been made.</p> <p>Buzzacott concluded that RHACC’s response to the key audit risks was satisfactory. The disclosure requirement concerning the College’s response to the impact of the pandemic have been included within the report. It was noted that the final reconciliation statements from the ESFA and GLA are still awaited. No issues were identified relating to the Hillcroft capital development, however one recommendation has been made regarding the fixed asset register. Buzzacott were satisfied with the contingent liability note within the Financial Statements in relation to the residential funding review; if further clawback is payable a note will be made in the accounts.</p> <p>It was noted that the Buzzacott VAT Team are currently advising the College on the Hillcroft capital development, but no conflict of interest has been identified.</p> <p>In answer to a question from Ms Rachlin regarding the wide range of the benchmarking ratios, Ms Biscoe noted that the information provided compares RHACC to lots of different types of college, of different sizes and with different risk profiles. The Director of Finance & Resources added that whilst benchmarks were useful, they are only as good as the underlying information that is used to compile them. He emphasised that RHACC has a worsening financial position that has resulted in a negative EBITDA and therefore a ‘requires improvement’ financial health grade, and that the Board should carefully monitor the College’s financial trends.</p> <p>Mr Simmons asked whether it was solely the pandemic that had caused the College’s current financial issues or whether there was a more fundamental or systemic issue. The Director of Finance & Resources replied that up to March 2020 and post merger (Oct 2017) the College’s finances had been on an upward trajectory, but the loss of tuition fee income due to covid had hit RHACC (and other Institutes of Adult Learning) hard. The Board agreed that careful monitoring was required.</p> <p><i>The Board noted the Annual Report & Financial Statements, the Post Audit Report and the Letter of Representation.</i></p>	
	<p><u>ANY OTHER BUSINESS</u></p> <p>There was no other business.</p>	

The meeting ended at approximately 6.00 pm.