

NOTRE DAME CATHOLIC SIXTH FORM COLLEGE

Principles: *Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, Leadership*

Virtues: *Trust, Wisdom, Kindness, Justice, Service, Courage, Optimism*

Minutes of the joint audit/finance and physical resources committee meeting held in College on:
Tuesday 3 December 2024 at 5.00PM

PRESENT

Paul Casey (Audit Chair)
David Wright (Finance and Physical Resources Chair)
John Barnes
Matthew DiClemente
Ann Marie Mealey
David Ellis
Richard Hall
Justine Barlow - Principal

IN ATTENDANCE:

Karen Petrillo - Director of Finance and Operations
Scott Gillon - Wylie and Bisset
David Robinson – TIAA
Denise Hark – Clerk to Corporation

		ACTION
1.00	APOLOGIES FOR ABSENCE	
1.01	Apologies for absence were received from Father Michael Hall.	
2.00	DECLARATION OF INTERESTS	
2.01	There were no declarations of interest made for items to be discussed at the meeting.	
3.00	EXTERNAL AUDIT FINDINGS REPORT	
3.01	The audit findings report from Wylie and Bisset had been included with the papers for the meeting. This included the management letter, annual report to the Members of the Corporation on the External Audit for the Year ended 31 July 2024, the regularity self-assessment questionnaire and financial statements year end 31 July 2024.	
3.02	SG reported that the auditors expected to issue a clean unmodified audit opinion.	

- 3.03** One regularity matter was noted in relation to prior approval not being sought from the DfE prior to a severance payment being made. This had not been found by the auditors but had been reported by the DFO.
- 3.04** The College's forecasts and financial projections indicate that the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. SG noted that it is the auditors' duty to consider whether governors have assessed it correctly and have had the appropriate information to do this. The auditors were satisfied that the Board of Governors assessment of the going concern basis of preparation is appropriate.
- 3.05** There were no control recommendations in relation to the year ended 31 July 2024. Two recommendations brought forward from the prior year audit have been addressed. The payroll point had been removed following the change in payroll provider. The maintenance point had been addressed by having a revised report undertaken in Summer 2024.
- 3.06** SG drew governors' attention to the statement on page 10 of the report that Wbg (Audit) Limited is independent of Notre Dame Catholic Sixth Form College within the meaning of United Kingdom regulatory and professional requirements and the objectivity of Scott Gillon and the audit staff is not impaired.
- 3.07** No areas of concern were reported for Section 5 of the report concerning Governance and Internal Control and Section 6 on Fraud and Irregularity.
- 3.08** It was reported that the unadjusted errors relating to the depreciation charge of the charging of planned maintenance which had gone through the income and expenditure account are not material and do not need to be adjusted. An adjustment had been made to correct accruals to the value of £72k.
- 3.09** The Chair of Corporation thanked SG for the pleasing report which was reflective of the work carried out by the DFO. SG noted that the auditors had been provided with all information in a timely manner and the process had run smoothly thanks to the DFO and her team.
- 3.10** The Chair of Audit questioned whether the note in the conclusion of the auditors' report concerning matter 1 has sufficient detail about the issue and whether it should match the statement on page 25 of the annual report of the Governing Body. Following a discussion about the matter it was agreed that the wording in both reports should not be amended.
- (MD joined the meeting at this point 5.38pm).*
- 3.11** Q: Are there any matters arising in the near future which governors need to be mindful of.
A: (SG) There is nothing on the horizon that would substantially change anything in the FE sector.

3.12	The DFO reported that the LGPS pension scheme would be underwritten by the government for colleges. SG advised that pension liability would still need to remain on the balance sheet if it is underwritten.	
3.13	SG reported that the auditors were comfortable with the narrative and evidence provided in the Regularity Self-Assessment Questionnaire. They were confident that the financial statements, including the income and expenditure account and cashflow, comply with the College Accounts Direction and the report of the Governing Body complies with the requirements of the post-16 Audit Code of Practice.	
3.14	The Chair noted that the report of the Governing Body, which includes the results of the recent Outstanding Ofsted report, reflects the positive year overall and was a credit to all concerned.	
3.15	A discrepancy on page 9 of the report regarding a mismatch on the number of high grades was noted. The Principal agreed to amend this prior to the report being signed off by Corporation.	JB
3.16	Agreed: that the report of the Governing Body is recommended for signature by the Corporation.	
4.00	INTERNAL AUDIT REPORT	
4.01	David Robinson from TIAA gave a verbal update on the internal audit carried out during November on Cyber Security. The report had not yet been finalised and an exit meeting was due to take place before the end of term.	
4.02	The audit had resulted in 4 priority 2 recommendations and one priority 1 recommendation. The priority 1 recommendation was in relation to the incident response plan not yet having been tested. The auditors' recommendation was that a test be conducted as soon as possible. The DFO noted that there were plans in place to test the Business Continuity Plan.	
4.03	DR reported that the agreed audit report on Cyber Security would be presented to the Audit Committee at the next meeting in February.	
4.04	The next area due for internal audit was risk management which would be carried out in the spring term.	
5.00	FINANCIAL DASHBOARD REPORT AND MANAGEMENT ACCOUNTS	
5.01	The DFO reported that the ESFA had confirmed that the College's Financial Health Grade for the previous year had once again been Outstanding.	
5.02	A benchmarking report had been provided. The DFO reported that this had been discussed by the SLT who had not been able to identify any benefit from reviewing the information. This had been followed up with the Colleges' FD group who had	

agreed that colleges were all different. In addition, the data is 12 months out of date.

- 5.03** The Chair of Audit commented that looking at Sixth Form colleges in the North with an income of £15m the only differences shown were slightly higher salaries as a proportion of income and a slight difference in income per student.
- 5.04** The Principal noted that the College was being efficient as it could be, being mindful at the same time of staff wellbeing.
- 5.05** The DFO pointed out that pay costs for admin staff looked higher than for other colleges, but this was because the SLT had been included in this code.
- 5.06** October Management Accounts
The DFO reported on the changes between the working budget and the approved budget. The following changes were noted:
- 5.07** The clawback for T Level students was larger than anticipated because the number of students was fewer than had been estimated.
- 5.08** The increase to Employers' National Insurance contributions had been included as income (£74k) as this will be funded by the government.
- 5.09** The college should receive £65k for college development funding. This is based on student numbers and is similar to devolved formula capital for academies.
- 5.10** There was an increase in bank interest as it had originally been assumed that the work on the hall project would start in October.
- 5.11** Pension interest adjustment FRS102 was also included in the statements.
- 5.12** There was an increase to the staffing budget due to the staff pay award being higher than the 5% allocated and the increased National Insurance contributions from April 2025.
- 5.13** The FRS102 adjustment has been reduced in line with the last 2 year's actuarial adjustment.
- 5.14** An amount of £216,630 would be provided every year for 10 years for planned maintenance. Planned maintenance expenditure would be offset against the provision. Expenditure would be in line with the planned maintenance report, but the costs could work out cheaper if some of the work is carried out in-house.
- 5.15** International students' fees are higher than forecast by £26K due to more students signing up than expected.
- 5.16** There was a difference of £55k income comparing the working budget to the approved budget.

- 5.17** A governor asked for clarification over teachers' pension contributions. The DFO explained that the employer contributions to teachers' pensions was at a flat rate of 28.68%. This does not get valued. The LGPS pension scheme for support staff has an actuarial valuation which determines the contributions.
- (SG left the meeting at this point 6.18pm).*
- 6.00 ANNUAL REPORT OF THE AUDIT COMMITTEE**
- 6.01** The Audit Committee had reviewed their Annual Report at the previous meeting. This had subsequently been updated following receipt of the External Auditors' report.
- Agreed:** To recommend the report to Corporation.
- 7.00 CAPITAL & ESTATES UPDATE**
- 7.01** The DFO provided an update on the recent capital and building work.
- 7.02** All chairs in St Elizabeth's building had been replaced over the October half term.
- 7.03** The T Level Law Court refurbishment has been completed and the project completion statement has been submitted to the DfE with all relevant building regulation documents. The total project cost was £435,534, with the college making a 25% contribution of £108,883.
- 7.04** Quotes had been obtained to provide 4 electric vehicle charging points outside the Trinity building, these would be for the use of staff and for income generation. Permission for the installation has been received from the Diocese (as landowner) and a grant has been received from the government.
- 7.05** Q: Whose responsibility would it be to fix any issues with the EV charging points?
A: This will be outsourced to a company who would have responsibility for this.
- 7.06** The following capital work had been carried out over the October half term:
New gutters on Hume House; Four classrooms, hallways and stairs painted in the Trinity building and refurbishment of an office for the new Lay Chaplain.
- 7.07** Rider Levett Bucknall would be carrying out a Buildings Conditions Survey on behalf of the DfE on 2 January 2025.
Q: Why is this survey being carried out?
A: They survey all colleges and rate the condition of the buildings. If colleges make a bid this will be compared against the evidence in the conditions report.
- 7.08** Three quotes had been received for an integrated CCTV system and lockdown alarm. The quotes ranged from £102k being the highest to £62k. The DFO noted that it was likely that the company with the lowest quote would be used and in response to a question from a governor added that full due diligence would be carried out on the company. The work was expected to be completed by the February half term.

7.09	Plans for the updated Hall project had been provided with the papers for the meeting.
7.10	The Principal noted that the college would be looking into whether to provide a bank of laptops rather than fixed computers in the IT suite. This would reduce the need for multiple sockets and would be more in line with what is provided in universities. AM advised that Chester University had recently upgraded their IT suite using this model and suggested that it might be worthwhile visiting them to see it working in practice.
7.11	A governor noted the tight timescale for the project which would need to be completed by 10 October 2025 and asked whether any issues with planning permission were envisaged. The DFO replied that AHR were happy with the lead-in times, and they didn't think that there would be any problems as the structure is already in place. A planning application would be submitted before the Christmas holiday.
7.12	Q: Would there be enough time to obtain steel? A: International steel would be used for the project and there was no issue with the supply of international steel.
7.13	AHR had reached out to a number of companies who have indicated that they may tender for the work.
7.14	Q: Might there be a possibility of connecting the upper level to the Cuvilly building to future proof the building? A: The floor would need to be at the same level as the depth of the steel and this might not match up with the floor level in Cuvilly.
8.00	DATE AND TIME OF NEXT MEETING
8.01	<ul style="list-style-type: none"> • Audit Committee - Wednesday 12 February 2025 at 5.00pm • Finance and Physical Resources - Wednesday 26 February 2025 at 5.00pm,

The meeting closed at 6.45pm.