



Ruskin College Oxford

Minutes of a joint meeting of Audit Committee and Finance Committee held on Friday 9 November 2018 at 11.00am in G.01 (The Board Room) Ruskin College, Oxford.

Present	In attendance
Anne Hock Neil Crew Mike Parker Kevin Flanagan Andrew Lantry (from item 4)	Paul di Felice (Principal) Ashok Patel (Interim Finance Director) Heather Cross (Interim Clerk) Sarah Mason (RSM - External Audit)

		Action
1.	Apologies for absence There were no apologies for absence Anne Hock agreed to take the Chair for the meeting. It was agreed that a short meeting without management present would take place at the end of the meeting, Sarah Mason having confirmed that there was nothing she wished to raise in advance of discussions in the main meeting.	
2.	Declarations of interest Kevin Flanagan referred to his previous declaration concerning work which the GMB was engaged in with the college.	
3.	Minutes of the last meeting and any matters arising The minutes of the Audit Committee meeting held on 25 May 2018 were approved by the members of that committee The minutes of the Finance Committee meeting held on 15 June 2018 were approved by the members of that committee. Matter arising - MIS, Finance and HR systems update. It was noted that Abingdon and Witney College had given notice that they would no longer be able to support the college systems any longer as a result of their impending merger. A possible replacement provider was going to be pursued.	
Items to Approve		
4.	Finance Director's report The Management Accounts for first two months of the year had been circulated previously. Key aspects were discussed. It was noted that the college had under-recruited HE students, being about 30 to 40 down on last year. There was a marketing plan being developed to address this	

situation for future years. FE numbers were at budgeted levels.

The summer programme had been very successful, especially in comparison with previous years. With the introduction of the commercial business manager post it was expected that this would be even more successful in future years, with professional organisation.

The college's financial health had been confirmed by the ESFA, following submission of the 3 year forecast. The current ratio – showed a good picture and was close to outstanding. Cash was improving. The college did retain a high level of borrowing, which should be addressed in the long term. The borrowing arrangements were discussed. Although the college was not in breach of its conditions, the bank had indicated that it would prefer not to continue to loan to the college as this size of business was no longer in its business model. The college was investigating alternatives – Unity bank was now interested again, which was a positive measure. Governors supported the measures to find an alternative lender.

Accounts held on behalf of the Fellowship were discussed. It was noted that as the Fellowship had no legal status the monies were the college's responsibility and it would be for the Board to determine whether money should be released. It was recognized that the relationship would continue to be problematic until matters were resolved. The Interim Finance Director would continue to investigate and bring back proposals to the Board.

Cashflow for the college was discussed, noting that March would be a difficult time again – this remained the no 1 risk for the college, but it had improved its cash days and was only a few percentage points from good.

It was highlighted that the legal expenditure breakdown requested had been provided. The largest costs were associated with staff restructuring, the estates strategy and a planning application. The 17/18 spend position in this area was much improved. Governors asked questions about current staff vacancies and the position was discussed.

Questions were asked concerning the organisation in the Finance department and it was reported that a new accounting system was being used which was much more straightforward and the staffing complement available could handle the routine requirements, although there might be a need for some additionality at year end. Tasks were now streamlined and simplified. The prudent approaches now being taken were welcomed. There was discussion about a disputed contract and what steps were being taken to defend the claim.

	<p>Governors considered the actions to recruit additional students and urged the actions planned to meet targets as this income stream was vital.</p>	
5.	<p>Financial Statements and Members Report</p> <p><u>Financial Statements Auditor - Audit Findings report</u> The current Audit Findings report was circulated.</p> <p>Sarah Mason advised that she was pleased to report that this year's audit had gone well and matters had significantly improved since the 2016/17 year. There were a small number of items to bring to the committee's attention but it was noteworthy that the College had reversed a sizeable deficit and there had been 1.1 million of financial efficiencies; the financial strategy had worked. There were no issues concerning going concern. The audit report was clean. The pension statement position would mean that there would be an operating deficit, but this was a book adjustment.</p> <p>There were some recommendations in the auditor's report which were discussed. It was noted that the Robert Addy Hopkinson Trust would be required to move into a permanent endowment. The sale of a small strip of land had been advised did not need Board approval should be carefully approved by the Board.</p> <p>The Letter of Representation was considered. It was agreed to recommend its signature on behalf of the Board.</p> <p>The regularity audit had been conducted satisfactorily and this was noted.</p> <p><u>Draft Financial Statements and Members report 2017/18</u> The proposed document was reviewed by the joint committee.</p> <p>There were a number of narrative corrections needed in order to finalise the report but it was agreed that substantively the report was financially accurate.</p> <p>Subject to final amendment the statements were agreed and Ashok Patel, the Interim Finance Director, was thanked for his work.</p>	
6.	<p>Audit Committee Annual Report to the Board</p> <p>The prepared draft report had been circulated previously.</p> <p>The content was considered by the Audit Committee members and with some minor amendments this was agreed for submission to the Governing Executive.</p>	

7.	Dates of next meetings	
	These dates, already agreed in the calendar, were noted as follows:- Finance Committee 25 January 2019 Audit Committee - 8 February 2019	
8.	Any Other Business	
	Governors met briefly with the Financial Statement Auditor without management present. There were no issues of concern discussed but it was noted that an appropriate replacement for the Interim Finance Director and ongoing strategic financial advice to the college was critical.	

There being no further business the meeting closed.

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