

Special Meeting of the Audit Committee

MINUTES

Date	Monday 20th February
Time	16.30 to 17.10
Location	Via MS Teams
Present (Governors):	Chair: Andrew Gilchrist Mary Hughes, Paul Stedman, Nicholas Woolf Rick Parris (co-opted member)
In attendance (officers)	Sarah Glasspool – Executive Director, Finance Resources and People Performance (EDFRPP) Ashok Patel - Interim Executive Director Finance (EDF) Patrycja Siek - Finance Accountant Melissa Drayson - Director of Governance (Dir Gov)
By invitation (observers)	Christine Ricketts (Principal and Chief Executive) Fred Gray (Vice Chair of Corporation/Chair of Resources Committee) Jackie Pearson (Chair of Curriculum and Performance Review Cttee)
In attendance (auditors)	Katharine Patel (Buzzacott)
Apologies for absence	None received
Quorum (2)	The meeting was quorate throughout

Item	Action lead
1. Preliminary items	
1.1 Apologies for Absence No apologies were received	
1.2 Declarations of interest There were no new declarations of interests relating to matters on the agenda. Previously declared interests were carried forward.	
1.3 Urgent other business notified in advance No urgent matters of other business had been notified in advance.	
2. Financial Statements and Regularity Audit Reports <i>Supporting papers presented by Katharine Patel, Buzzacott.</i>	
2.1 Post Audit Management Reports	

2018-19; 2019-20; 2020-21; 2021-22

Governors noted that all four reports had been presented previously in draft form, and had been operationally complete, but work had been outstanding on going concern, and the presentation within the accounts of the fixed asset valuation and the historical debt to ESFA.

Accounts for all four years had now been reviewed and updated, and the auditors had had sight of the forward cashflow and draft legal agreements in order to support the proposed going concern statement. Each year's report had been finalised accordingly, subject to the following outstanding matters, which would enable the auditors to sign off the accounts, detailed on page 6 of each report.

- Completion of the going concern review to the date of approval of the financial statements (including sight of the final signed agreements with the ESFA, Barclays and Cala Homes).
- Receipt of the letter of representation for the College
- Confirmation immediately prior to the financial statements being signed that no further significant events have taken place since the time of their audit that would impact on the financial statements.

Key points were highlighted. It was noted that the 2022 report contained the most detailed version of points contained within the other reports:

- An unmodified opinion was expected for the Financial Statements Audit for each year;
- The Regularity Audit opinion for each year reflected points that the college itself had picked up, but confirmed that no new regularity concerns had been identified through the audit;
- The end of year financial position 2022 showed an underlying performance of a small operating surplus.
- Going concern was outlined, including notes advising on governors' responsibilities for solvency;

Governors sought clarification about the timing of signing of the financial statements. It was confirmed that the Corporation and the auditors should be in a position to sign once the legal documents with the ESFA, Cala and Barclays had been approved and signed by the Board. It was anticipated by FG that final sign-off could be turned around quickly, and by close of play on 28th February at the latest.

The auditors confirmed that they would be meeting the EDFRPP and Interim EDF earlier on the day of the Special Corporation meeting to ensure that everything was in place to allow sign-off. KP would also be in attendance at the Corporation meeting.

RESOLVED: That the Post Audit Reports for 2018-19, 2019-20, 2020-21 and 2021-22 would be recommended to the Corporation FOR APPROVAL, subject to the matters yet to be completed.

2.2 Letters of Representation

A draft letter had been produced for each year. These were standard form, and governors' attention was specifically drawn to sections on Going Concern and relevant laws and regulations. It was important that Governors confirmed that they were satisfied on both counts.

Governors queried the statement that there had been no breach of loan covenants. The Auditors would provide a new form of words for this section to clarify this. With this amendment, it was:

RESOLVED: That the Letters of Representation for 2018-19, 2019-20, 2020-21, 2021-22 be recommended to the Corporation FOR APPROVAL and signing by the Chair of the Corporation.

3. Audit Committee Annual Reports: 2018-19, 2019-20, 2020-21, 2021-22

Supporting papers by the Director of Governance

Governors noted that each Annual Report had been updated in the light of each Post Audit report and reviewed to ensure consistency and alignment with the corresponding year's Audit Committee Statement in the Statement of Corporate Governance and Internal Control within the Annual Report and Financial Statements.

The Chair of Committee had raised several queries and comments on the draft report for 2021-22 by email. Each was noted and discussed by the Committee. The Director of Governance undertook to check and amend the final version as appropriate. Subject to this, it was:

RESOLVED: That the Audit Committee Annual Reports for 2018-19, 2019-20, 2020-21, 2021-22 be recommended to the Corporation for APPROVAL and signing by the Chair of the Audit Committee.

4. Annual Reports and Financial Statements

Supporting papers presented by the Executive Director, Finance, Resources and People Performance.

Governors noted that, since they had last reviewed the draft Statements, the following changes had been made:

- Restatement of land and buildings values
- Restatement of 2018-19 to incorporate the debt to the ESFA
- Changes in pension scheme liabilities, with movements to net assets
- Inclusion of draft statement of going concern and finalisation of the statement of internal control and corporate governance.

Governors noted that the list of post balance-sheet events got smaller over time.

The Committee's attention was drawn to the Statement of Corporate Governance and Internal Control and the going concern opinion, and the importance that Governors were comfortable with these.

Governors commended management on producing a high quality set of accounts for each year and thanked the team for their hard work.

Comments about minor changes had been made by Governors via email, and would be incorporated into the final version. A proof read would also be undertaken. Subject to these it was:

RESOLVED: That it would be recommended to the Corporation, that, subject to the signing of the agreements with the ESFA, Barclays and Cala Homes, the following be APPROVED and signed by the Acting Chair of Corporation and the Principal and Chief Executive:

- i. The Annual Report and Financial Statements 2018-19
- ii. The Annual Report and Financial Statements 2019-20
- iii. The Annual Report and Financial Statements 2020-21
- iv. The Annual Report and Financial Statements 2021-22

5. Other Urgent Business

There was none

6. Date of Future Meetings

28 February 2023 at 18.00

23 May 2023 at 18.00

Signed

(Chair)

Date