

**Minutes of the meeting of the Audit Committee held on Tuesday 12 January 2021 at  
5.00pm via Microsoft Teams**

**Present:** Simon Taylor (Chair)  
Sharon Jandu (Governor)  
Marie Lang (Governor)  
David Shepherd (Governor)

**In attendance:** Heather Jackson (Clerk)  
David Akeroyd (Deputy Principal Development and Productivity)  
Laila Lawton (Vice Principal Finance)  
Debbie Watson (Grant Thornton)  
Monika Liskiewicz (Grant Thornton)

**PART I – For Publication**

Minute	
<b>PROCEDURAL MATTERS</b>	
<b>A21/001</b>	<b>Agenda Item No. 1: Quorum</b>  The meeting was quorate.
<b>A21/002</b>	<b>Agenda Item No. 2: Apologies for Absence</b>  Apologies were received from Anastasia Mullen (RSM), Lisa Smith (RSM), Rob Barnett (RSM) and Tracey Johnson
<b>A21/003</b>	<b>Agenda Item No. 3: Declarations of interest:</b>  There were no declarations of interest.
<b>A21/004</b>	<b>Agenda Item No. 4: Minutes of the last meeting held on 8 December 2020.</b>  The minutes were approved as a correct record.

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	<p>It was <b>RESOLVED</b> to approve the Minutes of the meeting held on 8 December 2020</p> <p>The minutes were signed by the Chair virtually.</p>
<b>A21/005</b>	<p><b>Agenda Item No. 5:</b> Matters arising from the last meeting</p> <p>There were no matters arising.</p>
<b>A21/006</b>	<p><b>Agenda Item No. 6:</b> Rolling action list</p> <p>The Deputy Principal Development and Productivity noted there had been no issues arising following Brexit.</p> <p>It was <b>RESOLVED</b> to note the Rolling Action List.</p>
<b>A21/007</b>	<p><b>Agenda Item No. 7:</b> Notification of any other business</p> <p>There were no items of other business.</p>
<b>MATTERS FOR DISCUSSION AND MONITORING</b>	
<b>A21/008</b>	<p><b>Agenda Item No. 8: Going Concern and Management Judgements</b></p> <p>The Clerk apologised for late issuing of the papers.</p> <p>The VP Finance noted that the audit was now mainly completed with some action still required by Grant Thornton. Additional work was still required on ITS and Smartstyle and it was noted that a final version would be presented to the Board on 28 January 2021. It was agreed that governors would pass any comments to the VP Finance or the Clerk and a list of any substantial changes would be included with the Board papers.</p> <p>The VP Finance presented the Going Concern papers and noted that a number of different scenarios had been reviewed as part of the process. It was noted that EBITDA and financial health were on target. Income was behind, reflecting reduced activity on all sites as well as in apprenticeships. Future starts remain challenging but forecasts are confident and it is not expected that income forecasts will be altered. It was also noted the EBITDA and bank covenant targets were still expected to be met.</p> <p>The senior leadership team continue to review the data and the business planning process would continue to monitor progress and review economic</p>

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	<p>conditions and growth. The College continues to set a budget on a prudent basis.</p> <p>Governors noted that a review of cash flow demonstrated the College has sufficient cash available and that there was sufficient headroom to ensure the College operated within its covenants.</p> <p>The VP Finance talked the Governors through the reverse stress testing exercise that had been undertaken as part of the going concern assessment. It was noted that the most likely sensitivities were around receipt of income and cash therefore these had received most focus.</p> <p>The VP Finance discussed the subsidiary going concern assessment. BCDC and Think were assessed as going concerns. ITS were expected to exceed their budget but were vulnerable to loss on income and pension liabilities. Smartstyle was noted to be making losses as a result of COVID impacting upon the commercial training sector. The VP Finance recommended that letters of support be issued from the College for ITS and Smartstyle within the requirements of the use of public funding.</p> <p>Governors noted the report and thanked the VP Finance for the detail that had been covered in each of the scenarios. Thanks were also given to the Finance team in supporting the audit process.</p> <p>It was <b>RESOLVED</b> to note the Going Concern report</p> <p>It was <b>RESOLVED</b> to recommend to the Board the College group as a going concern.</p> <p>It was <b>RESOLVED</b> to recommend to the Board that the College issue letters of financial support to ITS and Smartstyle up to July 2022.</p>
A21/009	<p><b>Agenda Item No. 9: Financial Statements and Audit Findings.</b></p> <p>Deborah Watson and Monika Liskiewicz from Grant Thornton presented the audit findings. It was noted that there were a number of minor outstanding items but they did not expect any significant changes.</p> <p>Governors noted the heightened going concern risk had significantly increased the level of work required both by the College and Grant Thornton.</p> <p>It was noted the ITS and Smartstyle were now almost completed and all information had been received with final checks now being undertaken.</p> <p>Governors noted that the lockdown had proved challenging in gaining access to some of the required documentation. The external audit</p>

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	<p>highlighted that the group structure makes the account preparation and audit more complex. Governors noted that ITS and Smartstyle materiality level was very low compared to the College resulting in very small figures being raised as audit adjustments.</p> <p>Governors were asked to feedback any comments on the audit or financial statements to the Clerk or VP Finance. Final versions would be presented to the Board at the meeting at the end of January.</p> <p>It was <b>RESOLVED</b> to note the Audit Findings and financial statements.</p>
<b>A21/010</b>	<p><b>Agenda Item 10:</b> Annual Report of the Audit Committee</p> <p>The Clerk presented an updated version of the annual report which included updates on Financial Planning, HE Annual Monitoring and the Financial Statement's and Regularity Audit.</p> <p>It was <b>RESOLVED</b> to approve the report and recommend its approval to the Board.</p>
<b>A21/011</b>	<p><b>Agenda Item No. 11:</b> Any other business</p> <p>There was no other business.</p>
<b>A21/012</b>	<p><b>Agenda Item No. 12:</b> Date and time of next meeting</p> <p><b>Tuesday 9 March at 4pm</b> <b>Tuesday 15 June at 4pm</b></p>

The meeting ended at 6.07 pm

**Signed (Chair):** ..... **Dated:** .....