

**Minutes of the meeting of the Audit Committee held on Tuesday 30 November 2021 at
4pm**

Present: Marie Lang (Governor & Chair)
Sharon Jandu (Governor) (via Teams)
Tracey Johnson (Governor) (via Teams)
Kay Dickinson (Governor) (via Teams)
Simon Perryman (Governor)

In attendance: Heather Jackson (Clerk)
David Akeroyd (Deputy Principal Development & Productivity)
Tony Johnson (Vice Principal Corporate Services)
Laila Lawton (Vice Principal Finance)
Lisa Smith (RSM) (via Teams)
Deborah Watson (Grant Thornton)
Abigail Corns (Grant Thornton)

PART I – For Publication

Minute	
PROCEDURAL MATTERS	
A21/067	<p>Agenda Item No. 1: Quorum</p> <p>The meeting was quorate.</p> <p>Simon Perryman and Kay Dickinson were welcomed to the meeting.</p>
A21/068	<p>Agenda Item No. 2: Apologies for Absence</p> <p>Apologies were received from Simon Taylor, David Shepherd, Rob Barnett, Liz Leek., Gavin Batty and Suki Rai.</p>
A21/069	<p>Agenda Item No. 3: Declarations of interest</p> <p>There were no declarations of interest.</p>

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A21/070	<p>Agenda Item No. 4: Minutes of the last meeting held on 5 October 2021.</p> <p>The Clerk noted that the minutes from the last meeting had been supplemented with a written resolution which committee members had been asked to approve. It was noted that the written resolution had been approved by the majority of the committee members and therefore that all items had been noted and approved in accordance with Schedule 1 Clause 3.1 of the Instruments and Articles of Government.</p> <p>It was RESOLVED to approve the minutes of the meeting held on 5 October 2021.</p>
A21/071	<p>Agenda Item No. 5: Matters Arising from the meeting</p> <p>There were no matters arising from the meeting.</p>
A21/072	<p>Agenda Item No. 6: Rolling Action List</p> <p>It was noted that all of the items were covered elsewhere in the agenda.</p> <p>It was RESOLVED to approve the Rolling Action List.</p>
A21/073	<p>Agenda Item No. 8.1: Progress Report</p> <p>Lisa Smith presented the Progress Report. It was noted that audits had commenced in line with original timescales and that all remaining audits had been scheduled for the coming year.</p> <p>It was RESOLVED to note the Progress Report.</p>
A21/074	<p>Agenda Item No. 9: Going Concern and Management Judgements</p> <p>The Vice Principal, Finance presented the Going Concern and Management Judgement report.</p> <p>The College Group is assessed as a going concern. Income & expenditure projections for 2021/22 and 2022/23 and the cash flow forecast up to July 2023 have been thoroughly assessed. An assessment of the mitigations in place to prevent scenarios leading to a breach in bank covenants has been carried out. This concluded that the College has robust mitigations in place and is able to introduce more measures if needed. The headroom available on covenant compliance is considered to be acceptable.</p>

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	<p>ITS and Smartstyle are not assessed as a going concern and require a confirmation from the College of its financial support until at least January 2023. The College has assessed whether it has sufficient resources to cover this and concluded that it can financially support ITS and Smartstyle for the next 12 months.</p> <p>The Going concern assessment paper covered four key areas:</p> <ul style="list-style-type: none"> • Updated forecast for 2020/21 and budget for 2021/22 • Cash flow forecast until July 2022 • Bank covenant compliance • Reverse stress testing <p>Governors discussed the subsidiaries and when it was expected that they would be a going concern. Kay Dickinson who is also Chair of ITS and Smartstyle Board confirmed that their Board had been through the going concern and management judgements at an earlier meeting and that they were assured that ITS and Smartstyle were making good progress.</p> <p>It was RESOLVED to recommend to the board</p> <ul style="list-style-type: none"> • The College group as a going concern and; • The College to issue letters of financial support to ITS and Smartstyle up to July 2023.
A21/075	<p>Agenda Item 10: Annual Report and Financial Statements</p> <p>Debbie Watson and Abigail Corns presented the annual report and financial statements. It was noted that the audit process had been good and thanks were given to the Vice Principal Funding and Performance and the Vice Principal Finance and their teams for all of the preparatory work that they had undertaken for the audit.</p> <p>It was noted that additional testing had been required around revenue and that issues remained around fixed assets. Governors noted that Grant Thornton were comfortable with the pension rulings and that these would not have any impact on the final meeting with the actuary.</p> <p>It was noted that work had been completed regarding componentisation of the new build at Sci-Tech. It was also noted that significant work had been undertaken regarding the subsidiaries in the past year and the audit process has been more straightforward.</p> <p>Grant Thornton confirmed that there had been no fraud or work regularity and confirmed their fees for the year including non-audit fees.</p>

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	<p>It was noted that a number of recommendations had been made around fixed assets and books and records in Smartstyle. It was noted that the College planned to address this in the coming year.</p> <p>The Vice Principal Finance noted that once the remaining details had been confirmed a revised and final version of the financial statements would be presented to the Board for approval at the meeting in December. It was not expected that there would be any significant changes, It was confirmed that this could then be signed by DocuSign.</p> <p>Governors thanked the teams for their work in producing the audit.</p> <p>It was RESOLVED to note the annual report and financial statements and recommend their approval to the Board.</p>
<p>A21/076</p>	<p>Agenda Item 11: Annual Report of the Audit Committee</p> <p>The Chair presented the annual report of the audit committee. It was noted the report summarises the Committee’s activities relating to the financial year under review and contains a statement of the Audit Committee’s opinion on the level of internal controls operating within the College.</p> <p>The Clerk noted that the report would be updated once the financial statements were completed and a final version would be presented to the Board.</p> <p>It was RESOLVED to approve the report and recommend its approval to the Board.</p>
<p>A21/077</p>	<p>Agenda Item No. 12: New Risk</p> <p>It was RESOLVED to note that no new risks were identified.</p>
<p>A21/078</p>	<p>Agenda Item No 13: Clerks Monitoring of Audit Recommendations</p> <p>The Clerk presented the update on the status of audit recommendations. The Health and Safety and HE Student recommendations had been fully implemented and 10 of the learner records apprenticeship funding recommendations had been fully implemented. There were 2 remaining recommendations which had been partially implemented.</p>

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	<p>Debbie Watson suggested that the recommendations from the external audit be added to future report.</p> <p>It was RESOLVED to note the update and add the recommendations from the external audit.</p>
A21/079	<p>Agenda Item No 14: Any other business</p> <p>There were no items of other business</p>
A21/080	<p>Agenda Item No. 22: Date and time of next meeting</p> <p>Tuesday 8 March 2022</p>

The meeting ended at 17.12

Signed (Chair): **Dated:**