



**Minutes of the Audit Committee Meeting
Held on Monday 13th March 2017 at 5.30pm**

Present: Mr Giles Calverley - Chair
Ms Frances Warburton
Mrs Jane McGregor

In Attendance: Mrs Susan Bolton – Clerk to the Corporation
Mr Chris Bradford – Principal
Mr Ted Wales – Director of Finance
Mr Mark Ashton-Blanskby – ICCA-ETS

The meeting commenced at 5.30pm

Minute No		Action
1.	Welcome The Chair welcomed all those that were present.	
2.	Apologies for Absence There were no apologies received from Mr Guy Hodgkinson.	
3.	Declarations of Interest There were no declarations of interest made.	
4.	Minutes of previous meeting held on 28th November 2016 The minutes of the meeting held on 28 th November 2016 were reviewed for accuracy. The meeting confirmed the minutes of 28 th November 2016 as an accurate record of the previous meeting and the Chair signed the minutes.	
5.	Matters Arising Minute 9 - The Committee noted that at the last meeting they asked for the External Audit Report to be updated to include Management Comments. The Committee reviewed the report and raised a couple of questions. The first related to the Audit Findings on Page 12 of the report in relation to the comment 'The EFA operates on lagged funding based on learner numbers therefore funding for the next two	

	<p>years is not a concern with learner numbers increasing'. The Committee understood that student numbers were planned to increase however they College was forecasting a decline in financial health due to the lower numbers in 2016/17. The Committee asked the Director of Finance to ask the External Auditors to re-write this bullet point.</p> <p>The second, also on the same page of the report, related to the suggestion that there would be co issues following the revision of the covenant. The Committee asked the Director of Finance to check when the External Auditors had reviewed this, due to the recent revaluation of the land and the covenant being reduced from £8m to £6.5m. The Chair asked the Director of Finance what would happen if the College breached the covenant. The Director of Finance confirmed that he had received verbal direction that extra interest would become payable for the duration of the breach but he could not get this in writing. The Committee discussed the worst case scenario in that the bank could call in the debt and how the College would handle this.</p> <p>The Director of Finance confirmed that he would email the responses to the questions from the External Auditors direct to the Committee, once received.</p> <p>There were no further matters arising from the Minutes of 28th November 2016 that were not already on the agenda for discussion.</p>	
<p>6.</p>	<p>Auditor's Recommendations Monitoring Report</p> <p>The Clerk reported that as the current outstanding recommendations related to Governance, then she would take members through the report. The members noted that items in bold indicated an update.</p> <p>The Committee noted that the two remaining recommendations were partly completed although the deadline for each had not been met.</p> <p>In respect Model of Governance, the Search & Governance Committee had reviewed governance and were due to make a recommendation to the next Corporation meeting in line with a policy governance framework. The Search & Governance Committee had also discussed reducing its size and terms of office and would be making recommendations to Corporation on this recommendation also.</p> <p>The Committee confirmed that both recommendations could be removed for future reports.</p> <p>The report was accepted.</p>	

<p>7.</p>	<p>Internal Audit Reports</p> <p>Mr Ashton-Blanksby took members through the three reports produced: Financial Planning and Budgetary Control; Performance Management; and Follow-up.</p> <p>Financial Planning and Budgetary Control – The Committee noted that the Internal Auditors had given a Substantial Assurance Opinion for this report with two low recommendations and one medium recommendation.</p> <p>The medium recommendation related to financial strategy, assumptions and sensitively analysis and recommended that the College took a more detailed scenario planning model for future planning. This was accepted by the College and the Committee noted that as part of the 5 year Plan, submitted to Area Based Review, the College had taken this approach. The Principal reported that sensitive’s and assumptions had been more sophisticated and would continue to do so going forward.</p> <p>The first low recommendation related to the date that the management accounts task date is completed. This was accepted and it was acknowledged by the Committee that the Management Accounts were good and were part of a robust financial framework.</p> <p>The second low recommendation related to the strategies borne out of the 5 Year Plan submitted as part of the Area Based Review and the way in which the Board seek assurances on their impact. This was accepted and reports to Corporation and its Committees would indicate impact.</p> <p>The Committee discussed the possibility of the College becoming financially inadequate under the formula set by the EFA. The Principal confirmed that a strategy was in place to make further non-pay savings which would mean the College would stay satisfactory. The Committee discussed the Structure and Prospect Appraisal and who would lead this if the financial health deteriorated.</p> <p>Performance Management Framework – The Committee noted that there was one medium recommendation and that Substantial Assurance had been given. They noted that the recommendation related to recording of certain data in the Blue Sky system and that this recommendation would be fully implemented.</p> <p>Follow-Up – The Committee noted that there were two partially met recommendations, which had been discussed earlier in the meeting.</p> <p>The three reports were accepted.</p>	
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	The Committee noted that a report on Study Plans and Curriculum Planning would be received at the next meeting.	
8.	<p>Any Other Business</p> <p>The Clerk reported that the new Audit Code of Practice had just been released and that the Code and a report would be given at the next meeting.</p> <p>This was agreed.</p>	
9.	<p>Self-Review of Meeting</p> <p>The Committee completed self evaluation forms of the meeting, the results of which are attached to the Minutes.</p>	
10.	<p>Date of Next Meeting</p> <p>The next meeting was agreed as 10th July 2017 at 3.30pm.</p>	
11.	<p>Confidentiality of Business</p> <p>There were no confidential items.</p>	

The meeting closed at 6.30pm

Chair

Governor Feedback

1 How effective was this meeting in coming to sound decisions?

Outstanding = 1 Good= 3

2 How well did it stay focused?

Outstanding=1 Good= 3

3 How well were your skills and knowledge used?

Good = 4

4 How well was the meeting conducted so everyone could contribute?

Outstanding= 3 Good= 1

5. How good were the papers/presentations/reports?

Outstanding= 4

What worked well?

Comprehensive issues reviewed.

What suggestions do you have for how this meeting runs in future?