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| **MINUTES** |
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| *Special Audit and Governance Committee No 22* |
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| Date: |   | *19/01/2021 (Tuesday)* |   | Time: |   | *17:00–17:30* |
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| Venue: |   | *Via Teams* |   | Committee: |   | *Audit and Governance* |
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| Notes: |   | *A special meeting to consider the Financial Statement for 2019/2020 and the Audit and Governance Report to Corporation. The meeting will be held via video conference.* |
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| Present: |   | *Barbara Godby, Debbie Clayton, Jane Booker (Chair), Robert Wallace, Robin Newton-Syms and Thomas Cocks* |
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| Attending: |   | *Alison Robinson (Principal) and Joanne Sherrington (Deputy Principal)* |
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| Clerks: |   | *Ron Matthews (Clerk)* |
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| Guests: |   | *Allan Foster, Charlotte Walsh and Karen Musgrave* |
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| ***Public* Minutes** |
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| Item number: | Item description: |
| (and category) |   |
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| **01.21** | ***Attendance of College Management Staff and Audit Representatives*** |
| ***Decision*** | Section 8.1 of the current Constitution and Terms of Reference for the Audit & Governance Committee states:"The Principal or any other senior manager who is responsible for the College's internal control and representatives of the External and Internal Auditors shall normally attend meetings at the invitation of the Committee, and the Committee shall have the power to invite such other persons to attend meetings as may be desirable and necessary".A warm welcome was extended to the external audit representative, Charlotte Walsh. The Chair also welcomed Thomas Cocks, recently appointed Student Governor, to his first meeting. Janet Whiteside also joined the meeting to cover for Joanne Sherrington who was experiencing connection difficulties. **Resolved:****That the Audit & Governance Committee confirm the attendance of College Management staff and the External Audit representative at the meeting.** |
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| **02.21** | ***Apologies for Absence*** |
| ***Record*** | All members of the Committee were present. Karen Musgrave from the External Auditors was not present at the meeting. |
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| **03.21** | ***Minutes of Previous Meeting*** |
| ***Decision*** | The public minutes of the Audit and Governance Committee meeting number 21 held on Tuesday 10 November 2020, published on the Extranet, were signed and agreed as a true and correct record.  |
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| **04.21** | ***Declarations of Interest*** |
| ***Record*** | There were no declarations of interest made in respect of items on the public agenda. |
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| **05.21** | ***Financial Statements Auditor Draft Management Letter*** |
| ***Decision*** | RSM’s Charlotte Walsh, attended the meeting and presented the Financial Statements and the Audit Findings Report to the Committee and responded to questions.

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| **The Draft Report and Financial Statements** for the year ended 31 July 2020 had been included to provide supporting information and would be considered at the Finance and Resources Committee meeting on 19 January 2021. Members noted that income had increased, largely due to increases in the local government pension scheme.  The surplus before pension movements was £345k, lower than budget but better than forecast.  Those present referred to good performance in the context of the external environment, though at a level beneath their comfort zone.**The external audit of the financial statements** for the year ended 31 July 2020 was complete. The report included the proposed Letters of Representation in respect of both the Financial Statements and Regularity Assurance. The letters would be signed after the Corporation meeting on 19 January 2021.  The Auditors Report lodged within the Financial Statements stated:In our opinion the Financial statements:* Give a true and fair view of the College's affairs as at 31st July 2020 and of the Colleges deficit of income over expenditure for the year then ended, and
* have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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| The Audit Findings Report highlighted key points:* RSM had nothing to report in respect of additional audit, accounting and regularity issues identified during their audit and regularity work.
* No unadjusted or adjusted misstatements in the financial statements.
* RSM had nothing to report in respect of impropriety issues from their work undertaken in respect of the regularity audit.
* RSM had nothing to report in respect of significant deficiencies in internal control from their work performed during the audit.
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| The Auditor made comment on the 'high quality set of accounts' and wished to pass her thanks to the Finance team and in particular the Director of Finance, Janet Whiteside. |

**Resolved**:**1**.   **That the External Audit Findings Report for the year ended 31 July 2020**  **be commended to Corporation for approval.****2.   That the Auditors Opinion in respect of the Financial Statements**  **Audit and Conclusion in respect of the Regularity Audit for 2019/2020 be**  **commended to Corporation for approval and signatures.****3.   That the Letters of Representation be commended to Corporation**  **for signature by the Chair and Principal.** |
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| **06.21** | ***Draft Annual Report of the Audit and Governance Committee to the Principal/Chief Executive and Corporation*** |
| ***Decision*** |

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| The Committee considered the Draft Annual Report of the Audit & Governance Committee to the Principal/Chief Executive and the Corporation for the year 2019/2020. Audit & Governance Committee noted that the report, apart from Audit matters, also reflected Governance matters according to its Terms of Reference. In accordance with the Joint Audit Code of Practice the Audit & Governance Committee was required to give assurance to the Board.  Members noted that the report stated:‘The Audit & Governance Committee is of the view that it has operated effectively and fulfilled its obligations as identified in its Terms of Reference. It is also of the opinion that the College’s audit arrangements, the internal control systems, value for money policy and procedures, financial controls, framework of governance, risk management and control are adequate, operating effectively and its processes secure economy, efficiency and effectiveness and can be relied upon.’The report was required in order to report any major issues that occurred after the end of the year in question and before the report was approved. Reference was therefore made in the report to the cyber-attack on the College in August 2020.The report would be signed by the Chair of Audit & Governance Committee and commended to Corporation for approval and onward transmission to the funding body.Members considered the Audit & Governance Committee terms of reference, attached as an appendix to the report, and agreed they remained fit for purpose.

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| **Resolved:** |

**1.   That the draft Annual Report of the Audit & Governance**  **Committee to the Principal/Chief Executive and Corporation for the**  **year ended 31 July 2020 be accepted and commended to the**  **Corporation.****2.   That the Audit & Governance Committee Constitution and Terms**  **of Reference remained fit for purpose.** |

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