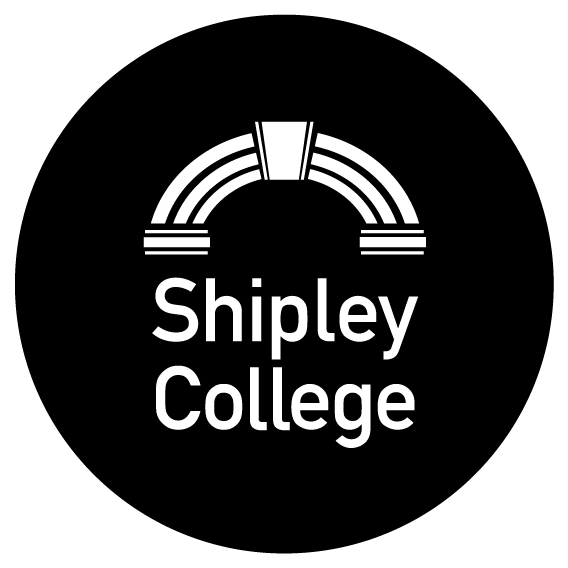
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| **Present:**  N Hainsworth (NH) - Chair  P Webley (Co-option) (PW)  K Robinson (KR)  **In Attendance:**  D Carter (DC) - Clerk  L Swift (LS) - Vice Principal Finance and Planning  G O’Shea (GOS) - Vice Principal Curriculum  R Bott (RB) - Mazars  M Speight (MS) -Mazars  A McCulloch (AM) -TIAA | **Apologies**:  J Curtis (JC)  M Hussain (MH) |
| --- | --- |

|  | Meeting commenced at:6.00pm | **Action** |
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| 1 | **Welcome, Apologies for absence, Disclosure of financial and/or personal interest**  The Clerk welcomed everyone to the meeting. LS introduced AM of TIAA who is carrying out the internal audit work for the college.  Apologies were received from JC and MH.  There were no financial or personal interests to disclose. |  |
| 2 | **To appoint:**  **i) a Chair of the Committee**  NH was agreed by members as the Chair.  **ii) a Vice Chair of the Committee**  PW was agreed by members as the Vice Chair. |  |
| 3 | **To agree agenda and order of business as circulated**  The order and agenda were agreed |  |
| 4 | **To approve the minutes of the meeting held on 6 July 2022**  **The minutes were approved as a true and accurate record of the meeting.** |  |
| 5 | **Matters arising**  No matters arising. |  |
| 6 | **To receive a copy of the letter from the ESFA regarding the outcome of their review of the financial plan and consider the related Financial Dashboard**  LS explained ESFA are content with the financial forecasts submitted in July 22 and agree with the financial health score. The dashboard is accessible to Governors through the portal if you request access. This data is live on the portal and changes twice a year for CFFR and year end accounts for Shipley College.  **Q. Do we have to request access individually for this?**  ***Action:*** LS to look into this and report back. | LS |
| 7 | **i)To consider the Regularity Self-Assessment Questionnaire**  This is completed every year. LS highlighted that changes to the template document since the previous year, which have been highlighted in red and changes in the second column since they were signed in August by the retiring Principal, have been highlighted in purple.  **Governors recommend to the corporation for approval for the Chair to sign.**  **ii)To note the changes to the The Audit Code of Practice**  This was shared previously but further changes since the April publication have been noted for Governors information. |  |
| 8 | **To receive :**  **i) the audit completion report from Mazars**  **Including draft letters of representation to Mazars re Financial statements & Regularity**  RB presented the completion report. He thanked LS for her help during the audit. MS presented pg 5 on the audit report and explained the progress on outstanding matters.  LS stated the reason a few items are outstanding is due to illness.  RB stated the ONS have published that colleges will move back into the public sector. What this means for colleges is still not fully confirmed however is has been confirmed if any colleges have any borrowings they need consent from the DfE. There are still questions around this such as if using an overdraft would you need consent to draw on this, RB explained the audit firms are asking the DfE questions such as these and hopefully will receive answers soon. Another area to be discussed is whether the year end will be July or March.  A discussion around this took place in regards the government, academies and how it will impact colleges.  LS explained for Shipley there should not be any immediate impact as we have no loans however things may come up over the next few months as things are confirmed.  A discussion took place around VAT and regulatory requirements.  RB continued to explain the report and their approach to the audit of areas of significant risks including mandatory significant risks, he directed Governors attention to Pgs 9 to 11 and their audit conclusions that there are no material misstatements in the accounts.  **Q. Regarding the amount, on pg 11 is this a materiality level or because it was physically just under that amount?**  A. The latter, anything under £3- 4k is classed as trivial and we don't need to pass judgement.  RB explained pensions and the CPI rate in August through to November, consideration had been made to whether or not the pension valuation assumptions were redone in the light of the CPI rate changes, however it was agreed with Mazars, VPFP and the Chair that no action be taken.  A discussion around pensions took place including historic data.  **Q. Do we think if we got into surplus it would be a problem if they said we would reduce contributions?** A. The problem is the contributions never follow the year end valuation. They do it on a different basis.  MS discussed pg15 of the report, significant matters discussed with management. The second segment is regarding the supreme court case Harper Trust v Brazel. MS explained this and how it was looked at. There is a variance of responses in the college sector and this is due to how contracts are written. LS agreed and stated it can also depend on the College provision and so timing on variable hours work.  LS has to do 89 individual calculations to look at this as cannot make a decision on impact without this. MS explained there is a line in the report to explain this has been taken into consideration.  The final area of discussion was balance from WYCC- the process of payment was explained for Governors information.  In terms of regularity nothing has been flagged and nothing is concerning.    Section 4 describes the severity between risk levels and there are many zeros, despite the Finance team being stretched nothing worthy to be reported.  Governors thanked LS for the work that has gone into preparing for the audit and thanked MS and RB for their work and the report.  **Members recommend the 2 letters of representation to the Corporation.** |  |
| 9 | **To Consider a review of ‘Going Concern’**  LS explained members looked at this in June and this has just been updated following completion of accounts and management accounts. The changes since June were explained. Members discussed the correlation of a deficit budget and a Requires Improvement judgement but LS confirmed from a Going Concern point of view Shipley will meet all debts in the next 12 months.  **Members agree that on the basis of the information given they conclude that we are a going concern and report this to the Corporation, using the Going Concern principle going forward.** |  |
| 10 | **To consider the draft Financial Statements, including:**   1. **Strategic Report** 2. **the Statement of Corporate Governance and Internal Control** 3. **Governing Body’s statement on the College’s regularity, propriety and compliance with funding body terms and conditions of funding** 4. **the Statement of the Responsibilities of the Members of the Corporation for the Financial Statements**   LS directed governors attention to pg 8 which shows the operating surplus before pension adjustments.  NH states this committee's role is the narrative and the F&R committee focus on numbers.  **Members recommend the signing of the statements up to pg. 32 to the Corporation.** |  |
| 11 | **To give Auditors the opportunity, if necessary, to go into a confidential session without Management/Observers in attendance**  Nothing to be discussed confidentially. |  |
| 12 | **To receive updates on risk and assurance:**   1. **Receive a progress report on the Risk Register**   LS described the main changes, key areas included:    1c. Income below budget so has to stay amber.  2g. A further update on WYCC is included in the papers, the financial impact is not very high but the reputationally impact is the concern.  5b. Have not had any issues, going through cyber essentials re-accreditation.  7b. Removed as there is no subcontracting.  8a. ESFA changed wording which may put more people into subcontracting. LS explained this. It is not high risk but flagged.  8c. There have been challenges with T Levels over Summer, and had to increase by 40 guided learning hours.  11a. This is sector wide but has to stay amber due to recruitment difficulties.  12g. Failure to maintain an engaged Governing Body during Covid has now been removed.  The Progress Report was received.  **Q. Staff issues: Is this availability or salary levels?** A. Have lost some due to salary then cannot recruit due to availability, definitely a candidate market currently.  Some other colleges seem to be being impacted by industrial action, but not currently here.  Governors content to receive the report.   1. **To receive an update on WYCC**   LS directed Governor attention to the bottom paragraph of the background section. Diana Bird (DB) - Principal had a meeting on this earlier. Although DB has not joined as a director she still represents the college as the guarantor, the guarantee is £1. This is the financial risk but reputationally there is the risk.  LS explained the repayment schedule which went to the proposal today and summarised the level of business for Shipley College.  **Q. The college is guaranteeing to the level of £1, but is the moral obligation to fund some of the repayment?** A. Possibly, as we want the colleges to be seen as a good business to run with, and don't want to get into the situation where suppliers or project managers see reputational damage. That being said I cannot see us repaying anything but have quantified this, however it is not a legal obligation, we are only legally obliged to pay £1.   1. **Receive an update on the 21/22 Internal audit and assurance work**  * **TIAA Report**   This was an approved piece of work in the plan for last year. Outcomes were; processes are well directed and operation as expected. AM spoke to the report and the recommendations including having two people collecting cash from the vending machine.  **Q. Are the vending machines colleges own?** A. Yes and they are old.  Both recommendations were accepted by management.  LS and members agreed she was pleased with the outcome as processes changing had been made due to Covid and this report confirmed all key financial controls are still in place.   1. **Consider the scope of work of Internal Auditors for 22/23**  * **TIAA proposed plan for 22/23**   AM and LS met to discuss this, and looked at the area on the proposed plan. Members were presented with the two year overview on the report. Will complete a more detailed scope with management after the plan approval.  Standard performance indicators are in the report which can be discussed and added to.  NH states as the relationship grows there will be more input to help both the committee and management.  LS stated AM stuck within the 6 days contracted but there is an option to expand on this however feels it is the right focus for next few years.  RB explained how the internal and externally audits may work together to add value.   * **Apprentices internal review action plan**   This is another piece of work the committee looked at last year. As agreed LS completed this and followed the same process an external auditor would have. Also used a piece of ESFA software to select samples. Areas for improvement were explained in the report. The action plan was received.  *AM left the meeting at 7.24pm* |  |
| 13 | **To consider Shipley College Developments end of year accounts and recommend to the Corporation**  These are dormant, so no change.  LS explained college has to keep this company open as warranties are linked to this for Jonathan Silver Building.  **Members content to recommend to the Corporation.**  *RB and MS left the meeting 7.27pm* |  |
| 14 | **To confirm the continued appointment of the Financial Statements Auditors**  Governors confirmed the appointment for the next two years.  A discussion took place around potentially extending to secure Mazars given the small market of suppliers.  ***Action*** - *LS to speak to the auditors and get a quote for a further 2 years (2023/24 and 2024/25) and report back to the committee.* | LS |
| 15 | **To receive details of any significant changes to the funding agreemen**t  LS explained there have been a lot of changes and gave a few examples for Governors.  **Q. Is it a potential positive that the fully funded level is set lower?**  A. It is a double edged sword as the more students fall into the fully funded category, which helps meet contracts faster but college may miss out on tuition fees. |  |
| 16 | **To consider the Annual Health and Safety Report**  LS pointed out there has been just one RIDDOR reported. |  |
| 17 | **To Consider the Committee’s Annual Report to the Corporation and the Principal and the Terms of Reference**  A discussion took place around the quorum and the committee benefitting from another member.  ***Action:*** The Clerk will report back to the Search committee chair.  **Members recommend the annual report and terms of reference to the Corporation.** | DC |
| 18 | **To consider the outcome from the 2021/22 Audit Committee Performance Review Questionnaire**  No concerns noted from the committee's data. The Clerk explained this will be looked at in the Search meeting next year as to how the data is presented. |  |
| 19 | **To consider:**  the Acceptable Use Policy  **Members recommend to the Corporation for approval.** |  |
| 20 | **Any Other Business**  Governors thank Susanna Butler for writing the minutes over the last several years. |  |
| 20i | **Dates of meetings to December 2023**   * Tuesday 28 February 2023 at 6.00pm * Tuesday 27 June 2023 at 6.00pm * Tuesday 5 December 2024 at 6.00pm   Agreed. |  |

Meeting closed 7.45pm

**Decision and Action Tracker**

| Date /Item | **Decision**/*Action* | Person responsible |
| --- | --- | --- |
| 061222 item 4 | **The minutes were approved as a true and accurate record of the meeting.** |  |
| 061222 item 6 | *LS to look into blanket access to the dashboard and report back.* | LS |
| 061222 item 7 | **Members recommend to the corporation the Regularity Self-Assessment Questionnaire for approval for the Chair to sign.** |  |
| 061222 item 8 | **Members recommend the 2 letters of representation to the Corporation.** |  |
| 061222 item 9 | **Members confirmed they were happy with the use of the going concern principle.** |  |
| 061222 item 10 | **Members recommend the signing of the statements up to pg. 32 to the Corporation.** |  |
| 061222 item 13 | **Members content to recommend the Shipley College Developments end of year accounts to the Corporation.** |  |
| 061222 item 14 | *LS to speak to the auditors and get a quote for a further 2 years (2023/24 and 2024/25) and report back to the committee.* | LS |
| 061222 item 17 | *The Clerk will report back to the Search committee chair regarding the quorum and needing an additional member for the committee.*  **Members recommend the annual report and terms of reference to the Corporation.** | DC |
| 061222 item 19 | **Members recommend the Acceptable Use Policy to the Corporation for approval.** |  |