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| **Present:**  N Hainsworth (NH) - Chair  P Webley (Co-option) (PW)  K Robinson (KR)  **Apologies**:  M Hussain (MH) | **In Attendance:**  D Carter (DC) - Clerk  L Swift (LS) - Vice Principal Finance and Planning  M Speight (MS) -Mazars  K Lovegrove (KL)- Mazars  A McCulloch (AM) - TIAA  J Flaherty (JF) - Observing |

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| 1 | **Welcome, Apologies for absence, Disclosure of financial and/or personal interest**  NH welcomed everyone to the meeting. John Flaherty was introduced as the appointed Vice Principal Finance and Planning (VPFP) as of January who is observing this meeting. Apologies were received from MH. There were no declarations of financial or personal interests. |  |
| 2 | **To agree agenda and order of business as circulated**  The agenda was amended to accommodate the external auditors, items 14 - 17 will be taken after item 6. |  |
| 3 | **To approve the minutes of the meeting held on 11 July 2023**  The minutes were approved as a true and accurate record of the meeting. |  |
| 4 | **Matters arising**   1. **additional change to Financial Regulations**   LS explained the additional change. Members confirmed the amendment. |  |
| 5 | **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**  Members receive the report as assurance. |  |
| 6 | **To receive updates on risk and assurance:**   1. **Receive a progress report on the Risk Register**   LS reported on key areas: 1a: The Funding audit is still ongoing. There have been many changes in funding since our last audit.  1b: Failure to meet 16 to 18 target has reduced due to numbers this year.  1c: Achieving 19+ contracts is the same.  2a: The pay increase is included here due to affordability in 2 to 3 years.  3a. Currently looking at changing the sickness policy and getting legal advice to look at that in the new year.  A member asked about the ofsted and if we will know for final accounts. LS explained she is unsure as to when the report will be published.  A question about the sickness policy was asked and the changes intended to be made. LS explained the current rules and proposed changes. SLT are currently taking legal guidance and need to document the rationale.  4a: Key staff changes, due to a number of retirements there has been recruitment to a number of key posts, recruitment is going well and The College has appointed to several of these but noted as amber.  11a and 11b increased score due to some issues.  A member asked LS’s view on agency staff being student facing, and if this is an issue. LS explained any issues are addressed immediately and would no longer work with that temp. Observations are carried out as part of the process. Two may be joining full time so it is a way to support recruitment to more difficult to appoint posts.  11d: regarding the pay award, Shipley is not getting union issues currently but other colleges are.  A member asked about the living wage and a discussion around this took place including how the funding can be used for key areas however the College hopes to use it as an even spread across the scales.   1. **To receive an update on WYCC**   No major changes since last report, still waiting to see what will happen with the group. A discussion around the moral obligation took place.   1. **Receive an update on the 23/24 Internal audit and assurance work**  * **TIAA Report on Cyber Security**   AM reported the key points. The framework of controls was seen to be potentially weak, recommendations to management were made and accepted. There were some priority one recommendations which were explained. Swift management action has taken place and good practice was identified but rating was given due to the priority one issue.  A member noted AM mentioned a ICT risk register, how would this work in relation to the main risk register? AM stated it should be an operational risk register in relation to ICT and then it should be flagged for the strategic risk register if a concern.  A discussion took place around the benefit of this separate risk register and how it would mean issues were dealt with immediately; it would also flag these to Governors if needed and show the mitigations in place to prevent the same issues going forward.   * **TIAA Annual Report 2022/23**   AM explained the report. The college had approved 6 days of audit time, and have had two pieces of work completed so far. There were five recommendations in all, pg.2 states 3 of 5 fell within compliance. We are happy with the actions and response from management on these.   1. **Consider the scope of work of Internal Auditors for 23/24**  * **TIAA proposed plan for 23/24**   LS discussed the rationale on the proposed plan. Looking ahead to 24/25 there will be a change of HR manager and VPFP so will come back to look at key financial controls and HR management.  ***Action:*** Members to discuss further in February prior to work planned to be carried out in April/May 2024.   1. **Receive a summary of known outcomes to date of the ESFA funding audit prior to receipt of the Final Report**   LS explained these are the things we know about within the funding audit. Although still not provided all responses, these are the main things we think will be on the final report.  Members receive the report.  *Items 14 - 17 will now be covered before item 7.* | Agenda |
| 14 | **To receive :**  **a) the audit completion report from Mazars**  **b)Including draft letters of representation to Mazars re Financial statements & Regularity**  MS explained that in 2020, auditors could work to the assumption colleges were entitled to the income they have been paid, now additional testing is required to confirm this due to changes in the Audit Code of Practice. The testing Mazars do is based on their assessment the College is low risk, if the Funding audit management letter comes back before the accounts are signed with something that Mazars feels changes their risk assessment they may need to carry out further testing before signing the audit report. Therefore LS has asked for a one month extension to submit the accounts in the unlikely event this happens, which allows some time and flexibility if need be. This is the only thing outstanding in terms of audit work.  A discussion took place around the local government pension scheme showing a surplus. This has been discussed previously and agreed to show a nil value asset. This treatment will need reassessing each year and would only become an issue if this is an ongoing surplus.  In terms of other risks, the area of complications this time around where things are impacted by capital projects, discussions have taken place around this in anticipation.  KL explained that it states on pg. 16 section 3 Mazars do not have any internal control recommendations this year.  KL reported on the changes made post draft relating to treatment of capital expenditure and grants reclassification of cash balance in deposit accounts for a term of more than 90 days.  Members receive the report and recommend the signing of the letter to the Corporation. |  |
| 15 | **To Consider whether it is appropriate to use of the ‘Going Concern’ principle in the Financial Statements**  Members agree the use of the going concern principle in the Financial Statements. |  |
| 16 | **To consider the draft Financial Statements, including:**  **a) Strategic Report**  **b) the Statement of Corporate Governance and Internal Control**  **c) Governing Body’s statement on the College’s regularity, propriety and compliance with funding body terms and conditions of funding**  **d) the Statement of the Responsibilities of the Members of the Corporation for the Financial Statements**  **e) To consider & recommend to Corporation financial statements for Shipley College Development accounts**    LS reported that the text is similar to previous years, pg. 6 has a reference to the Ofsted inspection which would be changed dependant on the final public document being available. KPI’s are highlighted as LS needs to finish the finance record that goes to ESFA and may be minor differences due to ratios. LS will ensure these are correct for the final Corporation version.  An in depth discussion took place around the EBITDA and if the 4% target is usually achievable. It was agreed there may be a footnote to explain the rationale of the target compared to the actual percentage.  ***Action:*** LS to add a footnote to explain this.  ***Action:*** Members asked for the word generate to be changed to incurred as you do not generate a deficit.  A member asked about the co-opted member who is retiring and if an independent opinion was a legal requirement. DC explained it is not, however it is good practice. Therefore the College is looking to hopefully co-opt an external member to the committee in the not too distant future.  A discussion around the Corporation Chair not being in attendance at the Corporation meeting took place. Mazars confirmed the Chair can still sign the accounts as long as he is briefed on the process and scrutiny that has taken place.  *AM left the meeting 7.27pm*  **Members recommend the signatures of items a- e to the Corporation.** | LS  LS |
| 17 | **To give Auditors the opportunity, if necessary, to go into a confidential session without Management/Observers in attendance**  MS and KL confirmed this was not needed.  *MS and KL left the meeting at 7.30pm* |  |
| 7 | **To consider the Acceptable Use Policy**  There has been a significant amount taken out of the policy due to the TIAA recommendations. P.13 back ups have been added.  Members approve the policy and recommend it to the Corporation. |  |
| 8 | **To consider Shipley College Developments end of year accounts and recommend to the Corporation**  The company is still dormant. A discussion took place around the company being used to facilitate the new build to maximise our VAT reclaim.  Members recommend the agreement of the accounts to the Corporation. |  |
| 9 | **To receive details of any significant changes to the funding agreements**  LS reported there are a number of changes. Such as the increase in funding for 16-18. The Level 3 qualifications being defunded, and the tuition fund which runs out next year.  ESFA are now paying 1/12th per month which is welcomed .  LS explained other areas of interest.  Members receive the report. |  |
| 10 | **To consider the Annual Health and Safety Report**  Members receive the report and recommend to the Corporation |  |
| 11 | **To Consider the Committee’s Annual Report to the Corporation and the Terms of Reference**  Members agree NH to sign the annual report and recommend the Annual Report and Terms of Reference to the Corporation. |  |
| 12 | **To consider the outcome from the 2022/23 Audit Committee Performance Review Questionnaire**  No concerns. Main issue raised is the membership of the committee which has been discussed and recruitment is currently taking place. |  |
| 13 | **To consider the Regularity Self-Assessment Questionnaire**  Members recommend to the Corporation for approval and signature. |  |
| 18 | **To confirm the continued appointment of the Financial Statements Auditors**  LS explained the history of the previous appointment. There have been so many changes this last 18 months with the reclassification etc. therefore it is difficult to quote that far ahead. Mazars have been very open and honest about costs.  ***Action***: Defer the agreement of fee until February, and discuss other options on the market.  Members agree the working relationship is good. | Agenda |
| 19 | **Any Other Business**  This is PW’s last meeting with the college, NH thanked him for his wise contributions on behalf of the Committee.  This is also LS’s last Audit meeting to present to. NH thanked LS for the clarity of her presentation and reports over the years.  PW stated the clean audit is testimony to LS’s brilliant skills.  Members thanked both Lorraine and Paul for their commitment to the College and the Corporation. |  |
|  | **Dates of meetings to December 2024 - all via Googlemeet**   * Tuesday 27 February 2024 at 6.00pm * Tuesday 25 June 2024 at 6.00pm * Tuesday 3 December 2024 at 6.00pm |  |

Meeting closed 8pm

**Decision and Action Tracker**

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| Date /Item | **Decision**/*Action* | Person responsible |
| 051223 item 3 | **The 11.07.23 minutes were approved as a true and accurate record of the meeting.** |  |
| 051223 item 6d | *Members to discuss TIAA proposed plan further in February* | Agenda |
| 051223 item 14 | **Members receive the report and recommend the signing of the letter to the Corporation.** |  |
| 051223 item 15 | **Members agree the use of the going concern principle in the Financial Statements.** |  |
| 051223 item 16 | *LS to add a footnote to explain the EBITDA percentage.*  *Members asked for the word generate to be changed to incurred as you do not generate a deficit.*  **Members recommend the signatures of items a- e to the Corporation.** | LS  LS |
| 051223 item 7 | **Members approve the Acceptable Use policy and recommend to the Corporation.** |  |
| 051223 item 8 | **Members recommend the agreement of the accounts to the Corporation** |  |
| 051223 item 10 | **Members receive the annual report on Health and Safety and recommend to the Corporation** |  |
| 051223 item 11 | **Members recommend the Audit Annual Report and Terms of Reference to the Corporation.** |  |
| 051223 item 13 | **Members recommend the Regularity Self-Assessment Questionnaire to the Corporation for approval and signature.** |  |
| 051223 item 18 | *Defer the Financial Statements Auditors agreement of fee until February, and discuss other options on the market.* | Agenda |