

## Minutes of a meeting of the Corporation held on Thursday, 5<sup>th</sup> December 2024 by Teams.

Present: Nigel Holliday (Chair); Elaine Clinton (Vice Chair); Claire Dunn (until Minute No 98/24); Peter Ellwood; Elizabeth Hull; Phil Jardine; Jacob Leach; Michael Priestley; Robert Milburn; Val Pallister; Denise Rollo; Professor Jill Stewart; Andrew Ward

Apologies: Alison Hampson; Sophie Kelly; Chris Nattress

Also present: Karen Wilson (Deputy Principal); Iain Glendinning (Vice Principal); Jane Murray (Clerk)

Apologies were also received from Sue Thompson from the DfE.

### **95/24 Welcome and Introductions**

The board welcomed new student governor Jacob Leach and new staff governor Andrew Ward. It was noted for the record that the written resolution making their appointment had an error in Andrew's surname and that it was indeed Ward. It was agreed that Jacob Leach should join the Audit Committee.

### **96/24 Minutes**

**Resolved** – that the minutes of the meeting held on the 14<sup>th</sup> November 2024 be approved and signed as a correct record.

### **97/24 Declarations of Interest**

None received.

### **98/24 Audit/Financial Statements**

The Chair of Audit noted the draft minutes from their recent meeting when they had considerable discussion over the Internal Audit Annual Report, the Audit Committee's Annual Report and the Financial Statements.

The internal auditor's report had given reasonable assurance excepting the three high recommendations received in-year (noting that each of the reports where there had been a high recommendation had nevertheless been given reasonable assurance.

Of one of the recommendations, around the timeliness of completing performance reviews, it was felt that this should not have been a high recommendation, although a governor present noted that it could be

interpreted that managers did not have sufficient visibility over staff or that there was insufficient time to do it, leading to a business critical issue.

Of the other two high recommendations on apprenticeships, it was felt that work continued in embedding the compliance team and that an impact was beginning to be made, although training was ongoing.

In response to questioning around the issues, it was noted that there was always risk as employers, learners and the college all had their part to play. Inroads had been made into significantly reducing outstanding progress reviews. It was asked whether there could be a measure which would facilitate the scale of the problem.

It was noted that there was a risk of a funding audit as a result of the annual report and every effort was being made to ensure compliance. Of the Office for Students report, this was a technical data report and was also the subject of an action plan and it was widely reported that many colleges had received an audit of this nature with similar recommendations.

The Audit Committee had noted and were monitoring action plans in respect of the above recommendations and noting the good reputation that the college had over many years of implementing, were content to provide assurance to the Board in respect of internal controls, subject to the implementation of recommendations in the reports.

#### **Resolved –**

- 1) that the Audit Committee's Annual Report be received, noted and approved for submission to the ESFA.

*Claire Dunn left the meeting*

Discussion moved on to the External Auditor's Management Letter. The external auditor considered key audit risk areas; including revenue recognition; management override; Defined benefit Pension Scheme; Going Concern; regularity and value for money; and whether there was a lack of ESFA assurance over funding income. There were no issues were identified with the exception of revenue recognition, with adjustments picked up in the report, the net effect of which was a decrease in surplus of £11,569. She noted that there were slightly more errors than she would have liked, but also noted that it had been a new team's first audit.

She noted in particular that the testing which had been carried out to ensure that there was entitlement to claim various sources of funding for a sample of learners had not raised any issues, and that the regularity audit was a good result.

There were two high priority recommendations; one amber and six low priority recommendations all of which were accepted.

The Deputy Principal turned to the Financial Statements and noted in particular that pension calculations actually had a positive impact on the overall position, or the deficit would have been greater. She noted concern that in spite of everything the picture was still not where the College wanted to be and that while there was cash in the bank (£1.9m) the cash balance in the statements at note 15 was zero.

It was asked at what point that some of the contracts become business as usual. Noting that there was merit in the question it was nevertheless the case that there was no guarantee that one contract would continue after two years and this being the case, it was important to monitor in the underpinning position. The underlying position had to be a sound and sustainable college.

One governor noted that the way in which to derisk the contract was to ensure that the quality of delivery was maintained. Another governor noted that there could be no guarantees or renewal from past experience. It was also noted that nevertheless there was currently a strong partnership ethos.

Pension contributions were questioned and attributed to an increase in the teachers' pension scheme. On a number of other issues raised, which were not material to the financial statements themselves, it was agreed that there should be a meeting with the Deputy Principal with changes noted as 'edits' and would be shared with the external auditor.

**Resolved –**

- 2) That the External Auditor's Management Letter be received and noted;
- 3) That the Financial Statements be approved for signature, subject to some potential edits in discussion with the Deputy Principal.

The Value for Money report which had been considered by the Audit Committee, was tabled for information and it was agreed that there was some useful data in there which the Audit Committee could revisit.

**99/24 Confidential Session**

**Resolved –**

- 1) To move into confidential session
- 2) That the minutes of the meeting held in confidential session of 14<sup>th</sup> November 2024 be approved and signed as a correct record.

**100/24 Management accounts – Confidential**

The Board were updated on the latest financial position.

**101/24 Financial Intervention – Confidential**

The Board was updated in respect of latest reports and meetings.  
**The meeting closed at 1930h.**