

Joint Meeting of the Audit Committee and Resources Committee

MINUTES

Date	Wednesday 29th November 2023
Time	18:00 to 18:45
Location	Via MS Teams
Present (Governors):	<p>Audit Committee members Andrew Gilchrist (Chair of the Joint Meeting) Mary Hughes, Rick Parish (Co-opted member) Paul Stedman</p> <p>Resources Committee members Professor Craig Mahoney Christine Ricketts (Principal and Chief Executive) Fred Gray Hilary Omissi Ian Carey (Staff Governor)</p>
In attendance (officers)	Allan Tyrer (Chief Operating Officer) Melissa Drayson (Director of Governance)
In attendance (auditors)	Katharine Patel (Buzzacott) Roy Plowman (TIAA)
Observers by invitation	Jesse Adekoya (Governor) Adam Herriott (Governor) James Measures (Governor)
Apologies for absence	None received
Quorum	The meeting was quorate throughout

Item	Action lead
<p>1. Preliminary items</p> <p>1.1 Apologies for Absence</p> <p>There were no apologies for absence. Resources Committee members were welcomed to the meeting for joint consideration (with the Audit Committee) of the financial statements and regularity post audit report, and the draft Annual Report and Financial Statements.</p> <p>1.2 Declarations of interest</p> <p>There were no new declarations of interests relating to matters on the agenda. Previously declared interests were carried forward.</p> <p>1.3 Urgent other business notified in advance</p>	

No urgent matters of other business had been notified in advance.

2. Financial Statements and Regularity Audit 2022-23

2.1 External Audit draft Post Audit Report

Supporting paper by Buzzacott

Headlines were presented to the Committees. It was noted that this was the first time in five years that the audit had been undertaken within the normal timetable, and there was every confidence that the Corporation would be in a position to sign off and submit its accounts by the ESFA deadline. College staff were thanked for their assistance with the audit process within a tight turnaround period. The auditors were happy with the core operational figures, which showed a more favourable position than that forecast by the college in its management accounts in the third term of 22/23.

In terms of outstanding work:

- the external auditors were pleased to be provided with assurance from the internal auditors that no significant issues had arisen from their audit of the student numbers systems. The internal audit report would be provided to them as soon as it was available, and available to Governors with the papers circulated for the Board meeting scheduled for December.
- The final funding reconciliation statement from the ESFA had not yet been received but was expected shortly.
- The carrying figure for land and buildings had yet to be agreed. The Committees did not support committing expenditure to a full external revaluation so close to the Elmbridge planning committee meeting. If approval was granted an external revaluation would not be required. The carrying figure would be retained at 2022 levels with an additional explanatory paragraph provided by the COO, a draft of which will be shared with Buzzacott for comment.
- The discounting to be applied to the ESFA debt was in the process of being agreed between the College and Buzzacott. Governors clarified, for the benefit of all at the meeting, that the ESFA repayment should be treated as commercial debt rather than a loan

The COO reported that he had transferred the draft figures from the financial statements into the ESFA financial record, and this had translated into Good Financial Health.

It was noted, that subject to there being no significant post-audit events, the Corporation would be in a position to approve a statement of going concern for the twelve months following signature of the accounts.

The Regularity Audit had resulted in no concerns.

Clarification was given on the treatment of the surplus in the LGPS. The advice to the sector was to treat this as break-even i.e. not to recognise the surplus. This was because the next triennial pension valuation for the LGPS was scheduled for March 2025, and it was uncertain whether the surplus would result in lower future pension contributions for the College, as that valuation would be based on a different date and may be based on

different long-term assumptions. Governors asked that a note of explanation be included in the final Buzzacott Post Audit Report.

2.2 Letters of Representation

These were noted as standard letters addressed to the External Auditors to be signed by the Corporation. Governors did not raise any issues on the proposed wording.

RESOLVED: That the Letters of Representation be recommended to the Corporation for approval and signature.

2.3 Regularity Audit Self-Assessment Questionnaire

It was noted that the questionnaire now covered Managing Public Money requirements, and there were no areas of concern raised by External Audit or Governors arising from the College's responses therein.

RESOLVED: That the Regularity Audit Self Assessment Questionnaire be recommended to the Corporation for approval and signature by the Chair and Accounting Officer.

2.4 Draft Annual Report and Financial Statements

Supporting paper presented by the COO and Buzzacott

Governors drew attention to the following requiring amendment:

- Some inconsistencies with other documents within the Statement of Corporate Governance and Internal Control
- The need for an explanatory note relating to the adjustment of the operating deficit so that the surplus in the LGPS is not recognised.
- Correction to the pay bandings for senior staff

Further comments on minor amendments were invited by email. Governors asked that a final draft should be circulated before being circulated to the Corporation for approval.

RESOLVED: Subject to the above amendments, and any further amendments arising from the circulation of an updated draft, that the Annual Report and Financial Statements for the year ending 31 July 2023 be recommended to the Corporation for approval and signing.

Approved by the Audit and Risk Committee on 28 February 2024.