

**Minutes of the Meeting of the Audit Committee held on
Wednesday 16 November 2016 at 9.00 am in BT28, Flemingate, Beverley**

Committee Members: Lesley Archer, Business Member
 Alex Denholm, Co-opted External Member
 Neil Waterhouse, Business Member (Chair)
 John Winepress, Local Community Member

Also in Attendance: Derek Branton, Principal
 John Doris, Vice Principal, Finance & Resources
 Judi Smith, Finance Manager
 Helen Wooldridge, Director of Learner Services, Planning & Diversity
 Benita Jones, East Coast Audit Consortium
 Graham Nunns, Grant Thornton UK LLP
 Katy Doherty, Grant Thornton UK LLP
 Janice Sunderland, Secretary to the Corporation

**Min.
No.**

ACTION by whom	DATE by when

1071 APOLOGIES FOR ABSENCE

Apologies had been received from Lesley Hill, East Coast Audit Consortium.

1072 DECLARATION OF INTEREST IN ANY OF THE ITEMS ON THIS AGENDA

The Chair reminded members of the Committee to declare at the start of the meeting interests held in any matters to be discussed.

No interests were declared.

1073 MINUTES OF THE MEETING HELD ON 28 SEPTEMBER 2016

The minutes of the meeting held on 28 September 2016 were confirmed as an accurate record and signed by the Chair.

1074 MATTERS ARISING

There were no matters arising that were not to be dealt with in the business of the meeting.

1075 REPORT FROM THE MEETING OF THE BOARD OF THE CORPORATION HELD ON 12 OCTOBER 2016

The Secretary reported the Board received the minutes of the Audit Committee meeting held on 28 September 2016 and approved the Internal Audit Plan for 2016-2017 at its meeting held on 12 October 2016.

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AUDIT REPORTS

1076 INTERNAL AUDIT

Internal Audit Progress Report to 16 November 2016

Ms Jones confirmed that the reports relating to the two block 1 reviews were yet to be finalised. Both reports would be presented to the next meeting alongside the other reports relating to block 2 reviews.

The paper was NOTED by the Committee.

Action Plans from Previous Audits – Rolling Update

The Finance Manager reported progress made on the recommended actions from previous audits.

The Committee noted the status report.

1077 FINANCIAL STATEMENTS AUDIT

East Riding College

Audit Findings for the year ending 31 July 2016 (Confidential)

This item was recorded as a confidential minute.

Report and Financial Statements for the year ended 31 July 2016

The Vice Principal Finance and Resources presented the draft Financial Statements noting these would also be considered at the Remuneration, Finance and Human Resources Committee later in the month.

Members considered the financial statements, discussing the following points:

- Clarification of the loan term following receipt of a waiver – the Vice Principal, Finance and Resources confirmed that the original agreement was a 10 year loan with repayments based on a nominal term of 20 years requiring a re-negotiation at the 10th year, May 2024. However, following receipt of the waiver, the re-negotiation period was adjusted to the 6th year, May 2020. It was noted that repayments based on a nominal longer term was normal practice. The Vice Principal commented that the loan value was currently £2m but was expected to be lower by the 6th year as asset sales would enable the College to pay much of the debt earlier. It was however anticipated that any remaining debt would be renegotiated at this point.
- Reserves policy – confirmed this was a new requirement for the sector and in line with requirements for charities organisations to assist in retaining resilience and sustainability.
- The Corporation – the Secretary agreed to clarify Miss Archer's position on the SGDC and include in the Members table if required.

Secretary

asap

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Members were assured that any minor outstanding issues would be completed for presentation to the Board. The Financial Statements for the year ended 31 July 2016 were RECOMMENDED to the Board of the Corporation for approval at its meeting to be held on 7 December 2016

Letter of Representation

The letter of representation for the year ending 31 July 2016 was considered and following discussion it was agreed that Mr Nunns would revise the wording of item xiii to reflect that the College placed reliance on the independent actuary assumptions received as part of its process.

The revised Letter of Representation was RECOMMENDED to the Board of the Corporation for approval.

East Riding College Ltd

Draft financial statements

The draft financial statements for the year ended 31 July 2016 were tabled by Miss Doherty. The Vice Principal, Finance and Resources presented the statements confirming that the reported profit would be gift aided back to the College. It was clarified that the gift aid was now reported as distribution of profits and not an operational cost.

The Committee NOTED the draft financial statements for East Riding College Ltd which would be presented for approval at the East Riding College Ltd Board meeting on 7 December 2016.

Letter of Representation

The letter of representation for the year ending 31 July 2016 was NOTED. This would be presented to the East Riding College Ltd Board for approval.

1078 TEACHERS' PENSION CONTRIBUTIONS INDEPENDENT CERTIFICATION

The content of the report letter was NOTED.

1079 REGULARITY AUDIT

Regularity Audit Self Assessment

The Vice Principal, Finance and Resources reported that the College was compliant with its regularity requirements. The regularity audit self assessment was considered and RECOMMENDED for approval to the Board of the Corporation.

Regularity Audit Final Opinion for year ended 31 July 2016

This item was dealt with under Draft Financial Statements and was RECEIVED.

ACTION by whom	DATE by when
VP, Fin & Resources	7.12.16
Mr Nunns	asap
VP, Fin & Resources	7.12.16
VP, Fin & Resources	7.12.16
VP, Fin & Resources	7.12.16
VP, Fin & Resources	7.12.16

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1080 DRAFT ANNUAL REPORT OF THE AUDIT COMMITTEE 2015-2016

The Secretary to the Corporation presented the draft annual report of the Audit Committee for 2015-2016. Two minor revisions were required to reflect that the internal audit report was based on the work undertaken in year (4.1) and that the Committee "received" the Internal Audit Annual Report (4.2).

Subject to the minor revisions, the Committee APPROVED the annual report of the Committee for presentation to the next meeting of the Board of the Corporation.

Secretary/
AC Chair

7.12.16

POLICY ITEMS

1081 REVIEW OF THE ANTI-BRIBERY AND CORRUPTION POLICY

The Vice Principal, Finance and Resources, presented the revised Anti-Bribery and Corruption Policy and associated risk assessment, highlighting some proposed minor revisions.

The Committee APPROVED the revised policy.

1082 REVIEW OF THE RISK MANAGEMENT POLICY

The Vice Principal, Finance and Resources, presented the revised Risk Management Policy, highlighting some proposed minor revisions.

The Committee considered and agreed the revised policy to be RECOMMENDED to the Board of the Corporation for approval at its meeting on 7 December 2016.

VP, Fin &
Resources

7.12.16

GOVERNANCE ITEMS

1083 FEEDBACK FROM THE AUDIT COMMITTEE SELF ASSESSMENT SURVEY 2015-2015

The Secretary reported that the Committee self assessment had received a good response with positive feedback. Overall, 75% of members rated the Committee outstanding and 25% good.

The Secretary reminded members that, in response to the comments made about membership, the Search, Governance and Development Committee would review membership in April 2017 following the departure of an External Co-Opted Member.

The Committee NOTED the feedback report.

1084 ANY OTHER BUSINESS

Mr Nunns informed the meeting that he would be retiring from

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ACTION by whom	DATE by when

Grant Thornton and that Debbie Watson had been appointed as his replacement. He expressed that he had enjoyed working with Colleagues from an excellent College and that he wished all Members and staff the best for the future. The Chair and its Committee Members thanked Mr Nunns for his continued professionalism and support over the years, especially his experience of the sector which had been well received. The Committee wished Mr Nunns the very best for his retirement.

1085 CLOSE

There being no further business the Chair thanked those present for attending and closed the meeting at 10.15 am.

Janice Sunderland
Secretary to the Corporation

Signed as a correct record on1/3/2017..... (Date)

.......... (Chair)

