

**Minutes of the Meeting of the Joint Audit and Remuneration, Finance and Human Resources Committee held on 22 November 2017 at 7.00 pm in the Conference Room, Flemingate, Beverley**

**Committee Members:** Lesley Archer, Business Member (AC)  
 Derek Branton, Principal (RF&HRC)  
 Salil Datta, Co-Opted Member (RF&HRC)  
 Kevin Hall, Local Authority Member (AC)  
 Peter Robinson, Business Member (RF&HRC)  
 Neil Waterhouse, Business Member (Chair) (AC)

**Also in Attendance:** Adnan Bashir, Interim Finance Manager  
 Derek Branton, Principal  
 Barbara Collinson, Head of Human Resources  
 John Doris, Vice Principal, Finance & Resources  
 Steph Rushton, Finance Manager  
 Helen Wooldridge, Director of Learner Services, Planning & Diversity  
 Janice Sunderland, Secretary to the Corporation  
 Ashley Hepton, RSM UK Audit LLP  
 Richard Lewis, RSM UK Audit LLP  
**Observing:** Elizabeth Hall, Business Member

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ACTION by whom	DATE by when

**0001 APOLOGIES FOR ABSENCE**

Apologies had been received from Alex Denholm, Co-Opted External Member, Emma Latimer, Local Community Member and Andrew McCullough, TIAA.

**0002 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.

**ITEMS TO APPROVE**

**0003 FINANCIAL STATEMENTS AUDIT – EAST RIDING COLLEGE**

**a) Reconciliation of financial statements for the year ending 31 July 2017 to the July 2017 management accounts**

The Vice Principal, Finance and Resources presented the reconciliation of financial statements to the July management accounts confirming that the management accounts for July 2017 reported an operating deficit of -£193k and the audited accounts report a deficit after FRS 102 of -£487k. Detail of all the

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adjustments made was presented confirming that the most significant adjustments were non-cash items relating to FRS102 provision LGPS pension (-£283k) and asset impairment on Waltham House (-69k) arising from the anticipated sale value being below the value on the balance sheet.

Members noted the position.

**b) Regularity audit self-assessment and regularity assessment engagement letter**

The Vice Principal, Finance and Resources presented the regularity self-assessment for the year ending 31 July 2017 together with the draft regularity assurance letter to RSM UK Audit LLP. He confirmed there were no adverse matters to bring to the attention of Members. Richard Lewis informed Members that the self-assessment had been thoroughly undertaken with full answers and evidence included.

Members considered the content and agreed to recommend approval of the self-assessment and engagement letter to the Board of the Corporation at its meeting on 13 December 2017 in advance of the Accounting Officer and Chair of the Corporation signing to confirm the responses were correct.

**c) Regularity audit final opinion for year ended 31 July 2017**

It was confirmed that RSM's conclusion stated "in the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2016 to 31 July 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them".

Members considered the statement on the college's regularity, probity and compliance with funding body terms and conditions of funding (page 26 of the financial statements) and agreed with the content for submission to the Board.

Members noted the regularity audit final opinion for year ended 31 July 2017.

**d) Report and consolidated financial statements for the year ending July 2017**

The Vice Principal Finance and Resources presented the draft Financial Statements for consideration by both Committees in their first joint meeting.

Members considered the financial statements, discussing/agreeing the following points:

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VP, F&R

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- Members agreed with the content of the Statement of Corporate Governance and Internal Control and the Statement on the College's Regularity to be presented to the Board for sign off by the Chair and Accounting Officer.
- The auditors highlighted the reclassification from freehold to leasehold of the land at Flemingate due to the land being a leasehold of 999 years. This required depreciation charges for the past two years to be applied.
- In the prior year the surplus properties had been held incorrectly in current assets and classified as assets held for resale. These had been reclassified into fixed assets through a prior year adjustment.
- There was a significant reduction of liability in relation to the LGPS pension scheme largely due to an increase in the assumption used for discounting liabilities

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 2017 were RECOMMENDED to the Board of the Corporation for approval at its meeting to be held on 13 December 2017.

**e) Letter of representation for the year ending 31 July 2017**

The letter of representation for the year ending 31 July 2017 was considered specifically noting the following points:

- No material dilapidation costs were expected to be payable upon the expiry of the Hull campus lease in 2021 and as such no provision for future dilapidation costs was included in the financial statements. An independent surveyors report would be undertaken at the appropriate time.
- Richard Lewis informed members that he would review his statement/opinion if the College was unable to secure the sale of Waltham House and unable to secure the loan of cash. However it was stressed that the position looked positive at present.

Members agreed to recommend the letter of representation for approval to the Board of the Corporation at its meeting on 13 December 2017.

**f) Audit findings for the year ending 31 July 2017  
(confidential)**

This item was recorded as a confidential minute.

**ITEMS TO NOTE**

**0004 EAST RIDING COLLEGE LTD**

**Draft financial statements for the year ended 31 July 2017**

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VP, F&R	13.12.17

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The draft financial statements for the year ended 31 July 2017 were presented by the Vice Principal, Finance and Resources.

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 13 December 2017.

The formal resignation of Derek Branton, Principal, from the Board of East Riding College Ltd was noted due to his imminent retirement. The meeting was informed that Mike Welsh, incoming Principal, would be formally appointed to the ERCL Board.

**Letter of Representation**

The letter of representation for the year ending 31 July 2017 was NOTED. This would be presented to the East Riding College Ltd Board for approval at its meeting on 13 December 2017.

**0005 CLOSE**

There being no further business the Chair thanked those present for attending and closed the meeting at 8.04 pm.

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VP, F&R	13.12.17
VP, F&R	13.12.17
VP, F&R	13.12.17

Janice Sunderland  
Secretary to the Corporation

Signed as a correct record on ..... 28/2/18 ..... (Date)

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