

Minutes of the Audit Committee meeting held on Tuesday 29 November 2022 at 5pm in the Damson Suite at Blossomfield Campus

Present

Lucy Lee – Committee Chair
Barbara Hughes
Tony Lucas
Amirun Nehar
Tasleem Chaudary
Rebecca Gater- Principal
Sarah Horton-Walsh
Barbara Hughes
Geraldine Swanton
Harrison Thompson
Sally Tomlinson
Donna Poole- Staff Governor
Vic Gwozdz- Student Governor

In attendance

Heather Evans -Deputy Principal
Pete Haynes - Vice Principal HR & Student Services
Lee Jamieson – VP Quality & Curriculum
Gita Chauhan - Director of Finance

Sam Bromwich - Director of Corporate Governance, Risk and Compliance

Louise Tweedie - Partner- RSM
Mark Dawson- Director- KPMG
Celtic Murray - Minutes

The following item was deemed to be confidential and EMT members left the meeting.

1 Pre-meeting for Governors and Auditors

This was a private meeting between the Governors and Auditors only. Therefore, formal minutes were not taken.

2 Audit Committee Year End matters

The Chair discussed the top risks, of which there are 5 non-confidential top risks and 2 confidential top risks (people orientated). These top risks will continue to be reported at every meeting for the governor's reference.

Confirmation has been received today via a letter from DfE that colleges are being reclassified to being public. There is a two-year transition period for this change to take place within. If colleagues want the information contained in the letter this can be arranged prior to the next corporation meeting.

Q: is consent for borrowing needed?

A: Yes, if borrowing from a private sector. This would require an approval process to be followed. This requirement of approvals creates an administrative task.

3 Apologies for absence and declarations of interest in relation to this agenda

The Chair welcomed the attendees to the meeting and offered an apology on behalf of Tony Worth and Paul Assinder, who were unable to attend. There were no conflicts of interests declared.

4 Minutes from previous Audit Committee meeting held on 18th October 2022

The minutes of the meeting on 18 October 2022 were noted and approved without any amendment.

5 College KPIs and Annual Priorities Outturn 21/22

This is information that has been seen throughout other papers this term and so contains no new information. This is a consolidation of all the information to close the academic year. There were no questions raised on this point.

6 Year End Audit Matters

The KPMG director discussed the accounting information and explained that the representation letter confirms that the information provided is true and no information has been concealed from the auditors.

The director advised that there were several areas which needed to be progressed from the initial draft audit report which have all been completed now.

In respect of the significant findings section, there were no major issues found within the audit. KPMG are content with how everything is reflected in the accounts. The area that has received the most audit time is pensions as they have changed significantly.

KPMG reported no recommendations for improvements or controls and overall described this as a clean audit with very little issues.

The Going Concern Report was discussed, and Corporation agree that the College is a going concern for the next 12 months. The College has a high cash balance which means that it has enough cash to resolve any unexpected difficulties in the next 12 months. The October PMR can be used as an assurance for going concern.

The Financial Statements and Members Report for 2021/2022 are still in the final stages. A few things still need to be checked including does ONS reclassification need to be considered in the report. KPMG need to consider their position to be able to provide accurate advice on this and have some upcoming meetings to clarify the position on this.

The College was held to have adequate internal control and corporate governance. It was suggested that the pension disclosure at note 25 is revisited with KPMG. Some additional wording in the front part of financial statements would be preferred to try and articulate the situation with the pensions. **Action**

The Deputy Principal presented a Financial Presentation 2021-2022 which has been presented to the Financial Oversight Group whereby a detailed discussion took place.

The Corporation **approved**:

- The Letter of Representation and KPMG Management Letter.
- The Internal Auditors Annual Report 2021-2022.

- Annual Report of the Audit Committee & the Principal.
- Regularity Audit.
- The Going Concern Report.
- Financial Statements and Members Report 2021/2022, (subject to the above discussed changes and clarification with KPMG. This report is to be submitted to the next Corporation meeting with any changes for a final approval from the governors).

7 2022/2023 Budget Update

This Budget Update for 2022/2023 was presented to the Financial Oversight Group Meeting on 21 November 2022 when the item was discussed in detail.

Q: In relation to the forecast of a 10 percent increase in the adult learners and apprenticeships area, is this assuming a 10 percent increase in adult learners or apprenticeships?

A: Apprenticeships.

Q: Is this 10% increase realistic?

A: Yes, this is realistic and forms part of the wider business planning process. The 10% increase is a target. Each head of school is being asked to consider a 10% increase.

The use of employer forums and business engagements were mentioned within this meeting and the governors agreed that they would be interested in governors' representation at these meetings. **Action**

Q: How often do you reforecast?

A: One reforecast has just taken place now; another will occur in the spring and a final reforecast towards year end.

8 Review of Financial Policy & Regulations

The Deputy Principal presented this item and advised that whilst another version of these policies and regulations are likely to be presented in the spring to reflect the outcome of the ONS reclassification, it would be helpful for the current versions presented to this meeting to be approved today to assist operationally with several structure/role changes.

The Corporation approved the financial policies and regulations presented at this item.

The following items were deemed to be confidential and the Auditors left the meeting.

9 This Item was deemed to be confidential.

10 This Item was deemed to be confidential.

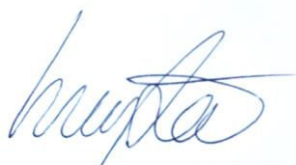
11 Documents for information

The Committee noted the documents for information.

12 Date of next meeting Monday 13th March 2023.

It was discussed that the date for this meeting is likely to change as the Chair is unable to make this date. Alternative dates should be sent out the governors so that a new date can be scheduled in. **Action**

Signed



Date 07 March 2023 [change to scheduled date]

Solihull College & University Centre

Joint Audit/Corporation Committee

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The following items were deemed to be confidential from the Auditors and they left the meeting.

Item 9 - Additional Audit Work (Confidential)

Item 10 - Internal Auditors Performance Review (Confidential)