

<p align="center">MINUTES OF JOINT MEETING OF THE AUDIT/FINANCE, RESOURCES AND INVESTMENT COMMITTEES HELD VIA TEAMS AT 5.30PM ON THURSDAY 26 NOVEMBER 2020</p>

Present: Mr M Stone (Chair)
Mr A Brown
Mr A Gold
Mr D Langton
Dr A Birkinshaw
Mr D Mabbitt

In Attendance: Mx L Johnson (Principal)
Mr G Dixon (Vice-Principal Finance and Resources)
Mrs J Matthews (Director of Governance)
Ms K Rae (Armstrong Watson)

		ACTION
M20/01	<p>APOLOGIES FOR ABSENCE</p> <p>There were no apologies for absence.</p>	
M20/02	<p>DECLARATIONS OF INTEREST</p> <p>There was a declaration of interest from Mr Brown in relation to Craven District Council.</p>	
M20/03	<p>MANAGEMENT LETTER</p> <p>Ms Rae introduced the Management Letter and highlighted the key audit findings. It was noted that the whole audit had been conducted remotely and that it had been the first year with the new Vice-Principal (Finance and Resources). She reported that it had been well organised, and responses to queries had been quick.</p>	
M20/04	<p>Members noted that there was a recommendation in relation to late VAT returns and a question was asked about how late those were and whether there had been any penalties. It was confirmed that these were VAT payments and three had been later than the due date of 9th of the month, but there were no penalties and measures had now been put in place to ensure that they were submitted on time.</p>	
M20/05	<p>A question was asked about the £113k of deferred ESFA income and Ms Rae confirmed that there was a liability in the accounts and clarification was required about whether this would be clawed back or could be released. Until that clarification was received, it was prudent to show it as a liability.</p>	
M20/06	<p>FINANCIAL STATEMENTS 2019-20</p> <p>The financial statements for 2019-20 had been circulated and it was noted that the key issues related to Going Concern and the pension liability. A number of points had been identified outside the meeting for amendment or inclusion and these would be shown as tracked changes before submission to the Board. It was noted that depreciation was a significant element and this could be reduced if a residual valuation was provided to the auditors. It was noted that this may be an area to look at in the future.</p>	
M20/07	<p>A question was asked about why reference to the IoT had not been included, and the Vice-Principal (Finance and Resources) agreed to include that within the developments in the year. It was suggested that reference also be added to the similar position of other colleges in relation to the pension deficit.</p>	VP (F&R)
M20/08	<p>A paper had been circulated summarising the position regarding the pension deficit and a question was asked as to whether the pension assumptions were broadly in line with other colleges. Ms Rae reported that she worked with a number of different actuaries and that these fell within the range seen. Valuations had been very low at the end of July when the calculations had been done, but had improved since then, and the impact of the changes in the assumptions were highlighted within the paper circulated.</p>	VP (F&R)

MANAGEMENT REPRESENTATION LETTERS

M20/09 The Audit and Regularity management representation letters had been circulated and a question was asked about whether there was a requirement to make any additional pension deficit contributions. It was confirmed that there were no additional contributions required.

M20/10 Subject to amendments agreed, the Management Letter, Financial Statements 2019-20 and the Audit Management Representation letters were **recommended** to the Board for approval. It was noted that the Regularity Management Representation Letter was signed by the Accounting Officer.

The meeting closed at 2pm.