

**MINUTES OF JOINT MEETING OF
THE AUDIT/FINANCE, RESOURCES AND INVESTMENT COMMITTEES
HELD VIA TEAMS AT 5.30PM ON WEDNESDAY 29 NOVEMBER 2023**

<p>Present: Mr Scott (Chair) Professor J Craig Mr C Morgan Mrs E Calvert (co-opted Audit)</p> <p>Mr D Langton Dr A Birkinshaw Ms A Lall (Interim Principal) Mr E Drake Ms H Kerrick Mr G Dixon (Vice-Principal Finance and Resources)</p>	<p>In Attendance: Mrs J Tracy (Interim Director of Governance) Mr S Hutt (Audit & Assurance Senior Manager - Armstrong Watson) Ms J Butterfield (Director – Risk & Assurance – TIAA)</p>
--	---

		ACTION
M23/35	<p>Item 1: APOLOGIES FOR ABSENCE There were apologies for absence from Ms K Rae (Audit and Assurance Director - Armstrong Watson).</p>	
M23/36	<p>Item 2: DECLARATIONS OF INTEREST There were no declarations of interest.</p>	
M23/37	<p>Item 3: MINUTES</p> <p style="padding-left: 20px;">a. Minutes of the Audit Committee Meeting held on 16 November 2023 and Finance, Resources and Investment Committee Meeting held on 15 November 2023</p> <p style="padding-left: 20px;">b. Action tracker and matters arising from the minutes</p> <p>It was agreed that both items would be deferred to the next meetings of the Audit/Finance, Resources and Investment Committee to be held on Thursday 1 February 2024 and 13 March 2024 respectively.</p>	
M23/38	Mr S Hutt introduced himself to those present.	
M23/39	<p>Item 4: FINANCIAL STATEMENTS 2022-23</p> <p>Item 4a: Management Letter</p> <p>Mr Hutt introduced the Final Management and Governors' Report for the period ended 31 July 2023. The report provided information on the purpose, responsibilities, and limitations and confirmed the independence of Armstrong Watson as the College's external auditors.</p>	
M23/40	Information on the significant audit risks highlighted in the Audit Strategies Memorandum, the auditors' response to each and their findings was noted. The key areas of focus, the auditors' response to each and their findings was also noted. No issues were identified in either. The auditors were pleased to report that there were no unadjusted audit differences.	

- M23/41 The members of the Committees noted the information provided on going concern, the potential risk relating to the use of Artificial Intelligence (AI) and the new requirements following the reclassification to the public sector. The Committee also noted that no significant deficiencies in the internal controls had been identified. Recommendations on two improvements in the internal controls were included in the report together with management responses; one amber and one green priority.
- M23/42 Armstrong Watson was asked and provided clarification that the Board needed to consider and understand the risks associated with AI and that in relation to ONS reclassification, that the Board was aware of the regulations and thus was not in a position where retrospective ESFA approval was needed. The Vice Principal – Finance and Resources reminded the Committees on the briefing which the Board had received on ONS reclassification and that ESFA approval had been received for the sale of the High Street property.
- M23/43 A discussion on going concern took place, the Committee members noting the external auditors' work in this area had not yet been concluded as a result of the continuing pay award discussions. In answer to a question from the Chair of Finance, Resources and Investment Committee an update on the pay award discussions was provided.
- M23/44 It was noted that Armstrong Watson anticipated that they would issue an unmodified report on the financial statements of the College, subject to the Board approving the accounts as presented.
- M23/45 Noting the comments in relation to going concern, the Committees **recommended** the Management Letter (Final Management and Governors' Report) to the Board for approval and signature by the Chair.
- Item 4b: Management Representation Letter - Audit**
- M23/46 The Audit Management Representation Letter was considered by the Committees. In answer to a question from the Chair of the Audit Committee, Armstrong Watson confirmed its view that work on the accruals had been sufficient and provided information on that work.
- M23/47 The Chair of Finance, Resources and Investment Committee asked whether detail on materiality should be included. The Committee requested that representation point 25 relating to purchase order commitments balance of £107,783.56 also be removed from the management letter. Mr Hutt would take guidance and would confirm if any amendment to the letter was acceptable to the Auditor.
- M23/48 Noting the above, the Committees **recommended** the Audit Management Representation Letter to the Board for approval and signature by the Chair.
- Item 4c: Management Representation Letter - Regularity**
- M23/49 The Regularity Management representation Letter was considered by the Committees, it being noted that there was a clean opinion.
- M23/50 The Committees **recommended** the Regularity Management Representation Letter to the Board for approval and signature by the Accounting Officer.
- Item 4d: DRAFT FINANCIAL STATEMENTS 2022-23**
- M23/51 The draft Financial Statements for 2022-23 had been circulated and the key points were highlighted.

SH - AW

M23/52	The Chair of Audit Committee raised a number of points for clarification and areas where he felt the wording should be amended. This included comment on the inclusion of non-financial KPIs, more detailed wording in the explanation on how the College would improve its financial health and on the cushion re cash flow and liquidity. It was agreed that the Chair would forward the detail to the Vice Principal – Finance and Resources and that these would be considered outside the meeting. Amendments to the draft financial statements would be presented to the Board at its meeting on 7 December 2023.	VP F&R
M23/53	The Chair of Finance, Resources and Investment Committee commented that having read the papers, he was reasonably happy with the financial statements as presented, noting that there had been difficult circumstances during the year.	
M23/54	In answer to questions from Mr Hutt, the Board confirmed that it was not aware of any events after the reporting period which would impact the College significantly, that in terms of the rules and regulations, it was not aware of any breaches which would have a negative impact on the College, and that there was no RAAC in any of the College buildings.	
M23/55	Noting the above possible amendments to the Financial Statements, the Committees recommended the Financial Statements 2022-23 to the Board for approval. It was also noted that, once approved by the Board, the accounts would be signed by the Chair of the Governing Board and the Accounting Officer, and would then be returned to the ESFA before the 31 December 2023 deadline.	
	Item 5: Review of the Meeting	
M23/56	The Committee undertook a review of the meeting and no issues were raised.	
	Item 6: Date of Next Audit and Finance, Resources and Investment Committee meetings:	
M23/57	Thursday 1 February 2024 (Audit) Thursday 22 February 2024 (Optional FRI) Wednesday 13 March 2024 (FRI) All at 5.30pm	
M23/58	The meeting closed at 6.31pm	