



## Minutes of TRC Corporation Audit Committee Meeting held on Monday 26<sup>th</sup> November 2012 at 6:30pm

### Present

Mrs J Collier (JC) (Chair), Dr R J G Bloomer (RJGB), Mrs J Bolton (JB),  
Mr D Fitzgerald (DF), Dr M A Khan (AK)

### In attendance

Mr M Patterson (MP) VP Finance and Resources  
Mrs G Hargreaves (GH) GTUK – External Auditors  
Ms J Brown (JB) GTUK – External Auditors  
Mr N Candy (NC) Acting Clerk to TRC Corporation  
Mr J F B Clark (JFBC) Governor – Observer  
Mr J C Wainwright (JCW) Governor – Observer

### Actions

#### 1 Apologies for absence

Miss V Allen (VA); Cllr C Barron (CB)

(Meeting quorate)

It was deemed not necessary for the Internal Auditors to attend the meeting.

#### 2 2011 / 12 Financial Statements & Key Issues Memorandum [KIM]

JC welcomed JFBC and JCW to the meeting. She also welcomed GH and JB from GTUK and invited them to comment on the KIM and Financial Statements 2011 / 12.

##### (i) Key Issues memorandum (KIM)

JB commented on the background to what appeared to be a fraudulent scheme involving a company called Cleanmail Solutions. She outlined the background to the apparent scam, outlining in some detail the legal aspects of the case. She commented that the possible liability to the college could be in the region of £200,000. It was important to include a statement in the Financial Statement to reflect the background to the provision which would have to be made therein. MP will provide such a statement and let GTUK and the solicitors have sight of it for their approval. He stated that one of the companies involved (Xerox) had offered to reduce their costs by 50% and it is expected that the final cost will be significantly less than £200,000. MP also stated that he had made an exceptional claim to our Insurance company which was a Mutual and required to consider such claims. The outcome of this claim will be known before the signing of the accounts in December. There was some discussion around the date of signing off the Financial Statements (deadline is the end of this term – 21<sup>st</sup> December 2012).

MP

If necessary, delegated authority should be given to authorised signatories by the full Corporation at their next meeting (10<sup>th</sup> December 2012).

Other issues discussed included clawback of funds from SFA (p2), FRS 17 (p5), which was due to the SFA overfunding us, Governors Expenses Authorisation (p5)(MP recommended that, given the small number of instances, the policy should be changed to bring it into line with authorisation of staff expenses generally), fixed asset disposals (p11)(MP confirmed the ability to identify historical cost and accumulated depreciation on an asset by asset basis as required), Auditors costs (p15), which did not include VAT costs.

**The committee accepted the KIM 2011 / 12 as presented and recommended it to the full Corporation for approval**

(ii) 2011 / 12 Financial Statements

GH invited comments from members and answered them accordingly. JC commented on a number of typographical errors which needed amending before the final version is issued as follows:

p22 Surplus to be reduced by £200,000 (Cleanmail provision)

p23 Include 'Surplus' before 'Deficit' on top line

p29 point 6 – change note – delete reference to amount

p30 point 7 – change auditors remuneration figure

p32 point 14 – check reference to note 17

There were no other significant issues raised. (This item will be discussed in detail by the Resources Committee on 3<sup>rd</sup> December 2012)

JB commented that under the national auditing regulations, she has to rotate off the TRC audit contract at the end of the year and thanked MP and his team for their support over recent years, a comment reciprocated by MP to JB. JC thanked both MP and GH / JB for their efforts in producing the financial statements so quickly after the year end.

Members thanked GH and JB for their comprehensive contribution.  
(GH, JB, JFBC and JCW left the meeting at this point)

**3 Declaration of interests**

No interests were declared in respect of agenda items; however, members reserved the right to declare an interest at any stage of the meeting.

**4 (i) Minutes dated 2<sup>nd</sup> July 2012**

The minutes of the meeting held on 2<sup>nd</sup> July 2012 were approved without amendment.

**(ii) Notes dated 15<sup>th</sup> October 2012**

(The meeting on the 15<sup>th</sup> October 2012 was not quorate so notes of that meeting were taken and circulated).

The notes of the meeting held on 15<sup>th</sup> October 2012 were noted and accepted.

**5 Matters arising**

Members noted that all action points had been resolved.

**6 Audit Committee Terms of Reference [TOR]**

No issues were raised.

**Members accepted the Audit Committee TOR as presented and recommended them to the full Corporation for approval.**

**7 Audit Committee Annual Report 2011 / 12**

No issues were raised. The report was duly signed by JC.

**Members accepted the Audit Committee Annual Report 2011 / 12 as presented and recommended it to the full Corporation for approval.**

**8 Risk Management Monitoring Report Nov 12**

MP referred to the paper distributed prior to the meeting and commented on the items highlighted in bold type. There was considerable discussion around the impending launch of a new staff performance management scheme (30<sup>th</sup> November 2012), and the funding of work placement activity. MP agreed to amend the wording of items 8 and 9.3 accordingly.

MP

**The committee noted the paper, subject to the amendments detailed above.**

**9 Any other business**

None raised

**10 Date of next meeting**

TBC

**11 Confidential item – Mins dated 2<sup>nd</sup> July 2012 and Note dated 15<sup>th</sup> October 2012**

The minutes and notes were signed by JC accordingly.

Signed *J Collier*

Date *13<sup>th</sup> March 2013*

**ACTIONS – Audit Committee Meeting 26<sup>th</sup> November 2012**

| Item   | Action to be taken                               | By whom | By when  |
|--------|--|---------|----------|
| 2 (ii) | Statement to be provided for GTUK and solicitors | MP      | ASAP     |
| 8      | RMMR Nov 12 – items 8 and 9.3 to be re-written   | MP      | Next mtg |