



## **MINUTES OF THE TRC AUDIT COMMITTEE MEETING**

**MONDAY 14 DECEMBER 2015**

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### **PRESENT**

Ms J Collier (Chair); Mr M Chaudhary

### **In Attendance:**

Mrs E Pickering (Acting Clerk); Mr M Patterson, Vice Principal Finance & Resources, Mr M Redfern (Grant Thornton UK LLP), Mr J Ward (Grant Thornton UK LLP)

### **APOLOGIES**

15.001 Apologies were received from Mrs A Todd

### **DECLARATIONS OF INTEREST**

15.002 Members were reminded of the need to declare any 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.

### **MINUTES**

15.003 The Minutes of the meeting held on 13 July 2015 were agreed as a true and accurate record and were signed by the Chair.

### **MATTERS ARISING**

15.004 The committee received a list of actions arising from the previous meeting. There were no actions arising not covered by agenda items.

### **INTERNAL AUDIT PLAN 2015/16**

15.005 The VP F&R referred to the internal audit annual plan produced by Allotts Chartered Accountants. It outlines the work that was agreed to be carried out during the five years of their appointment. The representatives were happy with the amount of work (10 days) scheduled to be carried out in the current financial year.

The meeting discussed the risks to the College associated with the Vice Principal Finance and Resources leaving at the end of March 2016. It was felt that in the short term the risk will be low but it is important that a suitably qualified/ experienced person is appointed to ensure the long term financial stability of the College.

**RESOLVED 15.005 That the Internal Audit Plan 2015/16 be recommended to the Corporation.**

## **RISK MANAGEMENT ACTION PLAN 2015/16**

- 15.006 The updated Risk Management Action Plan for 2015/2016 was considered by the members. The audit committee discussed the risks that have been updated since the start of the current academic year and noted the following –
- 1.1 – The Area Based Review process is ongoing and options are being considered.
  - 3.3 – Enrolment numbers at the census date were 48 up on projections. This will result in increased costs in 2015/16 and increased income in 2016/17.
  - 3.9 - The Vice Principal Finance and Resources has decided to retire on 31 March 2016 or the end of May 2016 on a 0.5 basis during April and May if needed and replacement options are being considered.
  - 7.4 – IT issues – there have been problems with the internet connection in recent weeks caused by external factors.
  - 7.6 – there have been a couple of minor incidents that have been dealt with.
  - 9.1 – the mentors are concentrating on working with students with welfare needs and this seems to be working successfully.
  - 10.2 – there will be one less mentor next year due to the non-renewal of a one year contract. Changes in working practices will free up time and changes to the disciplinary process will allow mentors to concentrate on students with welfare needs.

**RESOLVED 15.006 That the Risk Management Action Plan be recommended to the Corporation.**

## **ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE CORPORATION AND ACCOUNTING OFFICER 2014/15**

- 15.007 The Annual Report of the Committee to the Corporation and Accounting officer was presented for consideration by the Clerk. The report which provided assurance to the Corporation on the opinion of the internal and external auditors with regard to the adequacy and effectiveness of the College's assurance framework and internal controls was consider by the meeting. The Clerk was asked to add a sentence relating to the financial statements auditors stating that in their opinion the financial statements give a true and fair view of the state of the College's affairs as at 31 July 2015 and of its deficit of income over expenditure for the year.

**RESOLVED 15.007 That the Annual Report of the Audit Committee to the Corporation and Accounting Officer be recommended to the Corporation as amended by the committee.**

## **FINANCIAL STATEMENTS AND AUDIT FINDINGS 2015**

- 15.008 The financial statements auditors presented a paper outlining the findings of the latest financial statements audit that they carried out in September 2015. The committee noted the overview of audit findings that showed that there were no significant audit matters to report.
- 15.009 Although the accounts show a deficit for 2014/15 of £373,000 after depreciation the auditors noted that the college had a cash balance of £1,418,000 at the year end and a strong balance sheet. This means that in addition to the effect that lagged funding for students has on income the auditors feel that the college has sufficient funds for the 2015/16 financial year and current forecasts show a trading surplus for 2015/16.
- 15.010 The committee discussed the audit findings and financial statements at length and noted the effect that FRS17 has on the accounts. They also noted that the new accounting standard FRS102 and a revised SORP for FE and HE will be effective from the end of the current financial year. This will mean that extra work will have to be carried out by the College finance staff to ensure compliance.

15.011 The financial statements auditors informed the members that they are still awaiting the EFA funding statement and the regularity self-assessment report now needed approval from the Chair of Governors. When these are received the auditors will be able to sign the accounts after the Corporation meeting date.

**RESOLVED 15.012 That the Financial Statements and Audit Findings for the year ended 31 July 2015 be recommended to the Corporation.**

**DATE AND TIME OF NEXT MEETING**

15.010 The date of the next meeting is 14 March 2016 at 5.30pm.

Signed \_\_\_\_\_ J. Collier \_\_\_\_\_

Date \_\_\_\_\_ 20.06.16 \_\_\_\_\_