

GREENHEAD COLLEGE CORPORATION
Minutes of the Audit & Risk Committee meeting
Monday 14 November 2022, 5.00pm
starting with Joint Meeting with Finance & Estates Committee

Govs present: Alison Jones; Chris Kneale; Lisa Wilkinson; Richard King (Vice Chair)
& F&E Govs staying-on for A&R meeting: John Holroyd

In attendance: Simon Lett (Principal); Mike Benson (Murray Smith); Wayne Brown (AuditOne, via Teams); Sharon Roper (Clerk)

Apologies: Elliot Gill; Haris Khan; Mark O'Connor; Michelle Lister; Mohammed Usman

+ additional F&E Govs for initial Joint Meeting:
Adrian Barrass; John Holroyd; Richard Armstrong

AGENDA ITEM	DISCUSSION	ACTION
<p>JOINT MEETING</p>	<p>Joint Meeting with Finance & Estates Committee, 5.00pm, to consider 2021/22 Year-end Financial Statements, External Audit Report 2021/22, and draft Corporation Annual Report 2021/22, all previously circulated. <i>(these Joint Meeting minutes are replicated in F&E Committee minutes).</i></p> <p>Joint-1. Year-end Financial Statements, previously circulated.</p> <p>Joint-2. External Audit Report 2021/22 (Audit Completion Report). Mike Benson reported:</p> <ol style="list-style-type: none"> 1. Key risks identified which Murray Smith are comfortable with, also substantive audit of balance sheet items, and analytical review of expenditure account and sample testing of income and expenditure account. 2. ESFA income materially accurate in terms of the financial statements. 3. Internal controls – no recommendations to make. 4. RKI asked if there is anything significantly different to previous years in the first 9 pages of the report, Mike confirmed there isn't. 5. Over the last 4/5 years there has been significant improvement, overall financial results are very good. 6. Staff costs of 73% includes the pension figure. 7. Net current assets increased from £1.3 million to £2.5 million. 8. Pension liability has reduced. ABA asked why this has changed significantly, Mike replied that when the liability is discounted back, higher interest rates mean a bigger discount. RKI asked if 'pension costs less contributions 	

	<p>payable' is determined annually at year end and therefore can't be budgeted for, Mike confirmed that is the case as the figure is unknown. JHO confirmed with Mike that there is an element of risk that the annual cash contribution will increase. RKI asked if the pension service cost will become a liability, Mike said it is in the liabilities.</p> <p>9. JHO asked if the swing on the pension liability is comparable with other colleges, Mike confirmed it is the same trend.</p> <p>10. Following JHO's question about the management of the income process compared to other colleges, Mike agreed that Greenhead has a good internal process for this.</p> <p>Joint-3. Corporation Annual report, Mike Benson will check the report and approve it, the financial statements will be added, and it will go to the board for approval. RKI said he has requested an alteration to the report. The committee members have no changes to the report subject to RKI's changes being made. It was agreed that Mike does not need to attend the Corporation meeting for this sign off.</p> <p>Joint-4. Murray Smith have updated their engagement letter, changes made are in bold. This will go to Corporation meeting (5/12/22). Chair to sign when approved.</p> <p>Joint-5. Murray Smith letter of representation, this is a standard document that all colleges Murray Smith work with are asked to sign. There is a reminder that it's a criminal offence if you mislead the auditors. This will go to Corporation with the financial statements, Chair to sign off when it's approved.</p> <p>Mike confirmed it wasn't necessary for SLE to step out of the meeting, there were no issues to discuss privately with the governors.</p> <p>JHO thanked Mike and his team for all their work.</p>	
<p>A&R CTTEE MTG (5.30pm)</p> <p>1. Welcome, apologies</p>	<p>RKI welcomed participants. Apologies as above.</p>	
<p>2. Declarations</p>	<p>No declarations of pecuniary/prejudicial interest.</p>	

3. Minutes 26/9/22	<p>3.1 Minutes 26/9/22, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing.</p> <p>3.2 Matters arising not covered on agenda: 1. Min 3.2.1, Clerk arranged for Network to check the equipment and undertake a dummy Teams meeting prior to the meeting start. 2. Min 6, Internal Audit 22/23 distributed to members and on agenda (14/11/22).</p>	Clerk
4. Internal Audit	<p>Wayne Brown unable to present this section due to technical difficulties with Teams, the reports were previously circulated.</p> <p>1. Network Security Audit 2. Draft Annual and Strategic Plan 22-25 3. AuditOne Charter 22/23 4. Annual Report</p> <p>1. The internal audit annual report is still in a draft format as AuditOne are waiting completion of the follow ups from Greenhead. When these are finalised AuditOne will update their report, the clerk will circulate it to committee members to be signed off by email rather than waiting until the next A&R meeting. 2. RKI noted there are action points to be completed by 30/10/22 in some of the reports, so updates are needed. 3. SLE asked if members need to address the areas not covered in the Annual and Strategic Plan, RKI felt that AuditOne wanted to know if the committee were happy to agree the plan. The members agreed to adopt the plan subject to Wayne Brown coming back with any changes. 4. It was agreed that due to the technical difficulties on Teams, RKI will contact Wayne Brown to ask him to attend the meetings in person in future.</p>	<p>JBL/clerk to circulate report</p> <p>Wayne Brown</p> <p>Wayne Brown to confirm</p> <p>RKI</p>
5. External Audit	No additional updates.	
6. Legal, regulatory, sector developments	ONS reclassification decision still outstanding.	
7. Covid Risks & mitigation	No additional updates.	

8. Policies/ Procedures to review	None on this occasion.	
9. AoB	None.	
10. Confidentiality	No confidential aspects identified.	
11. Date next mtg	A&R Committee Mon 27 Feb 2022, 4.30pm. Change of date to note: A&R Committee Mon 24 Apr 2023, 4.30pm	Govs note

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 22/11/22

Approved & signed by Mark O'Connor, Chair on 27/2/23