



## Northern College

### THE AUDIT COMMITTEE

Minutes of the meeting of the Audit Committee held on **27 January 2022**.

**Present:** Liz Stanley (Chair), Cllr Ken Richardson and Seb Schmoller.

**In attendance:** The Principal (Yultan Mellor), the Assistant Principal – Finance and Business Services (Sue Saunders), Mike Redfern – Grant Thornton, Phyllis NO Dzoboku - Grant Thornton and the Clerk to the Governors (Sarah Johnson).

**Apologies:** None.

### DECLARATIONS OF INTEREST

A22/1 Each governor present declared any potential interests/conflicts of loyalty related to items to be considered at the meeting. Liz Stanley declared a potential conflict with respect to her role undertaking internal audits unconnected to the College for BMBC audit services on a self-employed basis. It was agreed that no decisions to be taken at the meeting would be affected and it was not considered necessary for the member to withdraw.

### ANNUAL AUDIT COMMITTEE REPORT TO THE BOARD (Document 4i)

A22/2 The committee considered an updated draft **Annual Audit Committee Report to the Board for 2020/21** and noted that:

- the report provided the committee's opinion to the Board of Governors and accountable officer on the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets;
- the report had been previously considered by the committee at its meetings in November and December 2021;
- the report had been amended to reflect the updated position relating to the audit of the 2020/21 financial statements.

**Resolved:** i **That the Annual Audit Committee Report to the Board for 2020/21 be approved for submission to the Board of Governors.**

### FINANCIAL STATEMENTS AUDIT

A22/3 The committee considered an updated financial statement auditors' **audit findings for 2020/21** noting that since the report was considered at the meeting in December 2021:

- the audit had been completed;
- as anticipated an element of the report had been modified with a qualified opinion relating solely to the treatment of clawback of ESFA funding from previous years.

A22/4 The committee confirmed that as agreed at its last meeting:

- prior year adjustment was the right approach as the liability related to prior years' funding and this was therefore the most appropriate technical decision;
- it was aware that this would result in an unqualified opinion from Grant Thornton, with the exception of this aspect which would be qualified.

A22/5 The committee considered the representation letter noting that its content was standard, with the addition of two paragraphs relating to:

- the basis of allocation of cost to the community learning budget;
- assumptions used by the actuaries in the pension valuation at the year end.

A22/6 The committee considered the draft financial statements which had been updated since their consideration at the last meeting to reflect:

- the College's agreed treatment of clawback of ESFA funding from previous years;
- changes in governance membership up to the signing of the statements.

- Resolved:**
- i That the audit findings report from the College's financial statements auditor be recommended to the Board of Governors for consideration.**
  - ii That the financial statements for 2020/21 be recommended to the Board of Governors for approval.**
  - iii That the representation letter be recommended to the Board of Governors for approval.**

#### **DATE AND TIME OF THE NEXT MEETINGS**

A22/7 Monday 21 February 2022 - 11.30am  
Monday 13 June 2022 - 11.30am