



Northern College

THE BOARD OF GOVERNORS

Minutes of the meeting of the Board of Governors held on **27 January 2022**.

Present: Ken Richardson (Chair), Yultan Mellor (Principal), Mike Bramhall, Colin Forrest, Liz Stanley, Henry Otulakowski, Sue Horner, Neil James, Seb Schmoller, Tim Thornton, Aidan Roberts and Ann Corrigan.

In attendance: The Assistant Principal – Finance and Business Services (Sue Saunders) and the Clerk to the Governors (Sarah Johnson).

Apologies: Bob Harrison, Clive Macdonald and Clare Clifton.

DECLARATIONS OF INTEREST

- B22/1 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;
 - with respect to his roles as Deputy Vice Chancellor at the University of Huddersfield and member of the Leeds City Region Employment and Skills Panel Prof Tim Thornton declared a potential conflict of loyalty in items relating to the College's higher education provision.

It was agreed that no decisions to be taken at the meeting would be affected and it was not considered necessary for the members to withdraw.

FINANCE AND AUDIT (Document 6i)

- B22/2 The Board considered the **Annual Audit Committee Report to the Board** and noted that:
- the report provided assurance for the whole period up to the signing of the 2020/21 financial statements on 27 January 2022;
 - since its consideration by the Board in December 2021 the report had been amended to reflect the updated position relating to the audit of the 2020/21 financial statements;
 - based on the work undertaken by the committee during 2020/21, and in the period to January 2022, it was the Audit Committee's opinion that the Board of Governors could be satisfied with the adequacy and effectiveness of the College 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, and that there had been no significant issues or matters of internal control raised during the period.
- B22/3 The financial statement auditor presented their updated **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.

- B22/4 The Board considered the report and:
- agreed that the position regarding the treatment of clawback of ESFA funding from previous years had been considered in detail at its meeting in December 2021;
 - reconfirmed its position that prior year adjustment was the right approach as the liability related to prior years' funding and this was therefore the most appropriate technical decision;
 - considered the conclusions of the auditor in the report, including those relating to going concern, pension schemes assessment, the revenue recognition of AEB and community learning and regularity;
 - factored the findings into their consideration of the financial statements for 2020/21.

- B22/5 The Board considered and approved for signing 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.

- B22/6 Taking into consideration the opinion of the Audit Committee and the findings of the financial statements auditor, the Board considered and approved for signing the draft **financial statements for 2020/21**, noting that they 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 Annual Audit Committee Report to the Board be noted.**
 - ii That the representation letter for 2020/21 be approved for signing.**
 - iii That the financial statements for 2020/21 be approved for signing.**

DATES OF THE NEXT MEETINGS

- B22/7 Thursday 10 March 2022 - 11.00am
Thursday 14 July 2022 - 11.00am