

WQE & Regent College Group

Minutes of an Audit Committee Meeting held at the University Road Campus

10 December 2019

Commencing at 5.00 pm

Governors Present:

Philip Parkinson, Chair
Joyce Black, Amrik Singh, Jimmy Zachariah

In attendance:

Peter Butcher (Clerk to the Corporation), Carolyn Davies (Associate Principal - Finance, Operations & Resources), Gareth Jones (RSM), Mark Matley (RSM) & Dawn Haywood (notes)

Apologies for absence

Wayne Allsopp (leave of absence), Sarah Fox (leave of absence) & Alistair Lockhart-Smith

The Chair welcomed all to the meeting and thanked the new members for joining the Committee.

1. Declarations of interest with respect to any item on this agenda

None.

2. Minutes - Paper 001

The Minutes of the meeting held on 1 October 2019 were signed by the Chair as a correct record.

3. Ongoing Matters - Paper 002

These were noted by the Committee.

- Carolyn Davies informed members that some of the External Assurance Plan work had been completed and that reports would be submitted to the March meeting.
- The Chair explained to the new members that the Committee had been following an AoC training module but for various reasons work on this had stalled. It was agreed that this would be recommenced in March, starting again from the very beginning.

4. Governor Training & Development – Future Opportunities

None identified beyond those already included in the annual training & development plan.

OVERSIGHT OF FINANCE, RESOURCES AND ASSETS

5. Alerting the Corporation - 2018-19 End of Financial Year Matters

There were a number of end of financial year matters concerning the annual accounts which the Committee reviewed and scrutinised.

a. Audit Committee Annual Report – Paper 003

It was noted that the annual report provided assurance to the Corporation over the effectiveness of the Corporation's Audit Committee in fulfilling their remit and offered confidence to the Corporation when

considering and submitting the statutory accounts. A copy of the Report would be sent to the Education and Skills Funding Agency when the accounts were submitted later in December. The Committee reviewed the Report and

RECOMMENDED that the Corporation is alerted to the Annual Report and is asked to adopt it.

b. College Annual Report and Financial Statements – Papers 004

The Committee noted that this document presented a summary of the College's activities during the year. After scrutiny of the information the Committee was satisfied that the document could be commended to the Corporation subject to some minor cosmetic amendments as recommended by the Auditors.

RECOMMENDED that the Corporation is **alerted** to this matter and:

- a. Adopts the College Annual Report and Financial Statements for the year ended 31 July 2019.
- b. Authorises the Corporation Chair to sign the document.

c. Internal Controls – Annual Report by the Executive Leadership Team – Paper 005

The Committee considered this report which provided the necessary assurances about the College's internal controls. This provided underpinning for the Corporation to have confidence in the statements it would be making in the letter of representation to the external auditors to be considered as part of the next item.

RECOMMENDED that the Corporation is **alerted** to, and is asked to adopt, the Annual Report on Internal Controls.

d. Audit Completion Report – Paper 006

Gareth Jones and Mark Matley of RSM introduced the report, noting that their work for this year was now largely complete. Apart from a short delay arising from the recent IT issues at the College, the audit process had run smoothly.

The Committee reviewed the Report and noted the key audit issues as follows:

- It was anticipated that an unqualified audit opinion for the year would be issued.
- There were no significant difficulties and findings from the audit showed:
 - No instances of management override of controls.
 - No issues in relation to income recognition: income was not deemed to be materially misstated.
 - No issues in relation to covenant compliance and the going concern principle.
 - There were no issues concerning the key areas of management judgement concerning pension assumptions, depreciation or capital expenditure.
- There were no instances of irregularity through the course of the engagement.
- There were no significant deficiencies on the accounting and internal controls systems which were required to be brought to the Committee's attention.

There was a full examination of the document along with discussion and clarification on various points, particularly pension scheme liabilities, fraud risk and internal controls. The Auditors confirmed that the control environment at the College was strong and Carolyn offered to talk through all internal controls with any member who would like to book a meeting with her. Carolyn also agreed to bring a paper to a future meeting with regard to the changing management of deficit liabilities on the LGPS.

RECOMMENDED that the Corporation is **alerted** to this matter and:

- a. Notes the Audit Completion Report.

- b. Authorises the Corporation Chair to sign the Management Representation Letter for the year ended 31 July 2019.
- c. Joins the Committee in expressing its formal thanks to Carolyn Davies and her team for consistently producing excellent accounts.

e. QED (Leicester) Ltd Annual Report and Financial Statements - Paper 007

Carolyn Davies introduced the Report and explained for the benefit of the new members that QED was the College's trading subsidiary.

RECOMMENDED that the Corporation be **advised** the Committee has reviewed the Annual Report and Financial Statements of QED (Leicester) Ltd for the year ended 31 July 2019.

f. Regularity Audit Return

This document had been approved at the Audit Committee's last meeting (Minute 6 refers) but was included on this agenda for completeness as it completes the suite of end of year financial reports.

9. Any other business

None.

10. Confidentiality

None.

11. Next Meeting

Tuesday 17 March 2020, 5.00 pm at Regent Road.

The Meeting closed at 6.15 pm

Signed:.....Chair Date:.....