



## CORPORATION MEETING

8 December 2016

### MINUTES

<b>Present:</b>	Carole Thorogood (Chair)	)	
	Mark Dunwell	)	
	Larry Greenwell	)	External governors
	Gill Lane	)	
	Clive Rix	)	
	Stephen Russell	)	
	John van de Laarschot		CEO
	Alex Weston		Student governor
<b>In attendance:</b>	John Snow		Vice Principal Corporate Services
	Yultan Mellor		Vice Principal Curriculum
	Debbie Duggan		Vice Principal Organisation Development
	Jason Folkett		Vice Principal Learner Services
	Ian James		Clerk to the Corporation

### PART 1

#### WELCOME & APOLOGIES FOR ABSENCE

64 Alex Weston (student governor) was welcomed to his first meeting. Apologies were received from Richard Cox, Brendan Coulson and Ann Reddington.

#### DECLARATION OF INTERESTS

65 The Chair reminded governors of the requirement to declare their interest in any agenda items. Following any such declaration governors would not be able to speak or vote on the matters under discussion.

### MINUTES

66 **Resolved** that the minutes of the meeting held on 17 November 2016 be approved as a correct record and signed by the Chair

#### MINUTES OF THE AUDIT COMMITTEE

67 The Committee received, for information, the minutes of a meeting of the Audit Committee held on 17 November 2016 details of which had been provided at the last Board meeting.

#### FIRST QUARTER FINANCE REPORT

69 The governors received a report on the financial position at the end of the first quarter of the financial year. The Sale of NETA House had been completed and the Lease of the Bingham premises had ended.

70 The College was currently over-performing on apprenticeships compared to SFA allocation and may bid for additional funding later in the year. Adult learner loans were also ahead of expectations and a business case would be made for a further £750k which would be delivered through partner organisations.

71 16-18 recruitment was below target by around 7% but the impact on funding, which would not be felt until the next financial year, would be around 4% as more learners were on longer programmes. Savings were being made on sessional staffing in areas of under-performance and on non-pay expenditure.

72 No funds had been drawn down from the revolving credit facility with the Bank although around £2m was expected before the end of December and the remainder in February/March.

## **SELF ASSESSMENT REPORT FOR 2015/16**

73 The Vice Principal Organisation Development introduced the final version of the College's Self-Assessment Report for 2015/16. As in previous years, the governors had been involved in reviewing the various sections of the Report and the Vice Principal thanked them for their valuable input.

74 **Resolved** that the Self-Assessment Report for 2015/16 be approved

## **INTERNAL AUDIT ANNUAL REPORT**

75 The Board received the Internal Auditor's Annual Report summarising the work of internal audit during 2015/16 and providing an opinion on the three areas of governance, risk management and internal control. The auditor's opinion was that *"the College has an adequate and effective framework for risk management, governance and internal control"*. This was the highest level of opinion available and represented an improvement on internal audit findings in recent years.

## **FINANCIAL STATEMENTS AUDITOR'S MANAGEMENT LETTER**

76 The Board received the Financial Statements Auditor's Audit Findings Report and Letter of Representation relating to the Financial Statements for 2015/16. The audit had gone smoothly and the external auditor had commented favourably to the Audit Committee on the high quality of preparation for the audit.

77 The auditor's report was positive with only one matter outstanding; confirmation from the SFA of the College's funding in 2016/17. It was understood that the SFA was intending to reduce the funding by around £100k and discussions were under way with the external auditor as to whether to reflect that adjustment in 2015/16 or 2016/17. The Board was asked to approve the Letter of Representation required by the auditor.

78 **Resolved** that the Letter of Representation be approved

## **ANNUAL REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROL**

79 The Vice Principal Corporate Service submitted the Annual Report on risk management and internal control which had been reviewed in detail by the Audit Committee. The governors noted that the picture presented by the report was one of continuing improvement which was reflected in the reducing number and importance of recommendations in audit reports.

## **AUDIT COMMITTEE'S ANNUAL REPORT**

80 The Chair of the Audit Committee presented the Audit Committee's Annual Report summarising the work of the Committee in 2015/16 and the outcomes of the various audits on which the Committee based their opinion on the state of governance, risk management and internal control in the College. With due regard to these issues, the Committee's opinion was that the College has -

- adequate and effective audit arrangements in place
- an adequate and effective framework of governance, risk management, and control
- adequate and effective processes for securing economy, efficiency and effectiveness.

## **ANNUAL FINANCIAL STATEMENTS 2015/16**

81 The Board received the Annual Financial statements noting the operating surplus of £509k which, if reduced by the SFA funding adjustment referred to in minute 77, would produce a result close to the forecast in the management accounts of £350k.

82 The Board's attention was drawn to the negative impact on the current ratio of the revolving credit facility and that this had the effect of placing the College into the financial health category of 'inadequate'. However, as this was a technicality, it was hoped that through a process of moderation with the SFA, the health category would be adjusted to 'satisfactory'. The final version of the accounts would be emailed to governors.

83 **Resolved** that the Financial Statements for 2015/16 be approved, subject to the finalisation of the numbers and wording and that the Chair and the CEO be authorised to sign the accounts

## **CHRISTMAS CLOSURE**

84 The governors received a report recommending that the College's Christmas closure be aligned with that of ncn.

85 **Resolved** to close the College for the Christmas recess at 4pm on Wednesday, 21 December 2016

## **SAFEGUARDING POLICY**

86 The Board received the Safeguarding Policy for review and approval. The Vice Principal Learner Services drew governors' attention to amendments due to changes in legislation and minor wording changes.

87 **Resolved** that the Safeguarding Policy be approved

## **RISK MANAGEMENT UPDATE**

88 The Board received for information the Risk Management update noting that the Risk Register had been reviewed in detail by the Audit Committee. The governors were advised that there were no new risks and they were reminded of the high risks facing the College as recorded on the Risk Register.

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Chair

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Date