

GOVERNING BODY OF GODALMING COLLEGE

**Minutes of the Audit Committee
Monday, 5th December 2022 at 5.45pm
Online**

Present:

Lee Henderson (LH)	Geoff Howes, Chair (GH)	Shirley Price (SP)
Helen Warren (HW)	Julie Wagerfield (JW)	Kate Hart ((KH) Associate)
Jeremy Pattison (JP)		

In attendance:

Sarah Baudains, Assistant Principal (SB)	Ken Kehoe, Clerk (KK)
Emma Young, Accounting Officer/Principal (ELY)	Gumayel Miah (GM), Buzzacott

		Action
	The Chair thanked Trustees, staff and the Buzzacott representative for attending the re-arranged meeting, noting that the Committee's meeting on 28 th November had been adjourned as it was not quorate.	
1.	Apologies for absence	
	There were no apologies for absence.	
2.	Declarations of Interest	
	There were no declarations of interest.	
3.	Annual Report and Financial Statements to 31st August 2022 Audit Findings Report	
	<p>GM introduced the Audit Findings Report and the draft Annual Report and Financial Statements. He highlighted that the Audit Findings Report was clean and that the accounts were unqualified with some minor modifications, due to the re-classification of some items, including £701k of expenditure (originally allocated against restricted funds) to unrestricted funds, as it involved spending on the catering function and trip expenditure. GM also highlighted that the Accounting Officer's Regularity Report was also unqualified and unmodified.</p> <p>GM said they had no concerns about the Going Concern assumptions, accounting policies, or the handling of related party transactions.</p> <p>He noted that the accounts showed an actuarial gain of £4.1mn against the defined benefits pension schemes but as the College could not recover the assets, the amount shown in the accounts had been set at £0. GM also explained that the College had had an operating surplus of £0.3mn.</p> <p>Trustees asked if there was a risk that the ESFA would seek to recover the College's Reserves. SB noted that the approved plan to overspend by £1mn this financial year, as a result of investment in the Estate, would reduce the College's cash reserves but that this issue could be looked at again at the March meeting.</p> <p>Turning to recommendations arising from the Audit, GM noted that there were two medium recommendations:</p>	

	<ul style="list-style-type: none"> • First, the College should monitor the value of income earned from the provision of meals to staff and visitors and any other taxable supplies on a 12-month rolling basis to ensure it complies with VAT registration requirements; and • Second, the College should put in place a process to ensure there are checks on the allocation of expenditure against the various funds. <p>SB confirmed that the College management had accepted the two recommendations.</p> <p>Audit Committee members noted that the comparison of financial ratios set out in Appendix 3 of the Audit Report showed the College had better ratios than other Single Academy Trusts but that the latter’s results had improved over time, the College’s appeared to be reducing. SB noted that the College had been trying to reduce its surplus and the trends shown were in line with that approach. The reduction this year also reflected the accounts adjustments.</p> <p>Turning to the draft Annual report, Trustees noted that on page 11, it stated that the College did not compare itself with others before then making comparisons. The Committee agreed that the words “to others or” should be deleted. They also noted that, within the governance statement, the tables should refer to committee attendees rather than committee members.</p> <p>The Committee approved the draft Annual Report and Financial Statements for submission to the Board, subject to the drafting changes on pages 11 and 14.</p> <p>The Committee also approved the Audit Findings Report.</p>	
4.	Auditors Confidential Discussion with Trustees	
	ELY and SB left the meeting. Neither Trustees nor the Auditors raised any points. ELY and SB were invited to return the meeting.	
5.	Minutes of the meeting held on Monday, 27th June 2022	
	The approval of the Minutes was deferred to the next meeting.	
6.	Matters Arising	
	The actions arising had been completed or were ongoing work.	
7.	Risk Management Policy	
	<p>ELY introduced the draft Policy, noting that the Internal Auditor would look at risk as part of the 2023/24 work programme. Their report would probably come to the Committee in March 2024.</p> <p>The Committee approved the Risk Management policy.</p>	
8.	Freedom of Information Policy	
	SB introduced the draft Policy, noting that the Director of IT was the College’s FOI Lead, and that the draft set out some procedural changes and tidied up the publications scheme. Trustees proposed that the term “you” should be replaced by “anyone” throughout the document.	

	The Committee approved the draft Policy, subject to the use of the term “anyone, rather than “you”.	
9.	Risk Register	
	<p>ELY introduced the draft Risk Register, noting that the Register set out additional context on the financial and economic situation. She highlighted the proposal from the leadership team to delete Risk 9 on the catering operation. Trustees agreed, following discussion, that Risk 9 should be retained until the College had further experience of managing the catering operation in house. Trustees also raised Risk 14, relating to the risk and impact of industrial action. They agreed that the Risk of such action was higher but that following the mitigations that the SLT had put in place the net impact of such action could be reduced to 1.</p> <p>Trustees also proposed that when actions to further minimise risk had been implemented, these measures should move to the control column.</p> <p>The Committee approved the Risk Register, subject to the above changes.</p>	
10.	Whistleblowing	
	There was nothing to report.	
11.	Any Other Business	
	There was no other business.	
12.	Dates of future meetings	
	Monday 13 th March 2023 at 4.30 pm Monday 26 th June 2023 t 4.30 pm	

The meeting closed at 6.34 pm.

Signed Date.....