

Meeting/Committee	Extraordinary Audit & Risk Committee
Date of meeting	21 st January 2021

1 Declarations of Interest and Eligibility

The Chair requested Governors declare any interests at the appropriate time during the meeting.

2 Welcome, introduction and Apologies

Attendees :

A Phillips (Chair)
S Bulley
G Owen
J White

In attendance:

J Austin
V Parkes
K Noble
D Watson

Principal and CEO
Director of Governance
Executive Director of Finance
Grant Thornton

Apologies for absence

None

3 Audit Reports

It was highlighted that this was an extraordinary meeting in order to complete the actions which were unable to be achieved during the audit committee meeting held on 9th December as a result of capacity issues with Grant Thornton.

(i) Financial Statements for the year ending 31st 2020

No further changes noted or to discuss since the previous meeting held on 9th December.

(ii) Reconciliation to final Management Accounts

No further changes noted or to discuss since the previous meeting held on 9th December.

(iii) External Auditors Report/Management Letter

A discussion was had regarding the updates made since the previous meeting. Grant Thornton have confirmed funding from the ESFA and have added this into the conclusion. A detailed discussion was had regarding the statement of going concern (discussed earlier in the meeting) which provided the detail included within the management letters. It was noted that there is a need to ensure the reader understand the uncertainties.

Action: ED: Finance and DW to agree the wording amendments to reflect the conversation and to ensure the changes are clearly highlighted.

(iv) Letters of Representation

No further changes noted or to discuss since the previous meeting held on 9th December.

4 Statement of Going Concern

**This item was discussed at the start of the meeting as it provided the background needed for the approval of the items listed within section 3.*

A lengthy debate was had regarding the statement of going concern and the immediate risks affecting the business and cash flow which have been further impacted by the latest lockdown implemented in January 2021. The risks are noted as:

- The ability to deliver the AEB allocations within the year
- Devolution for the SCR in 2021/22
- Apprenticeships enrolments in year
- Further effects on the Commercial areas due to COVID-19
- 16-19 enrolments
- HE enrolments in 2021/22.

The overall risks are c. £200k to the bottom line. Risks associated to NFPC are offset by savings which have been made. It was noted that there are a number of opportunities available to the group however caution needs to be applied where there will be an impact on the lag funding in future years. It was noted and acknowledge that this will be closely monitored and reported on within the finance committee.

It was confirmed that the RCF would be paid off 5 weeks early in order to mitigate the covenant risk and therefore satisfy Grant Thornton. The ED: Finance stated that this had been completed. DW stated that she would need to confirm this prior to being able to sign off.

Action: DW to confirm that the RCF has been paid.

A number of financial indicators were noted and discussed. It was agreed that these would be closely monitored. The chair stated that in addition to a risk register it may be worthwhile creating an opportunity register as it was clear there are areas to capitalise on.

Action: ED: Finance to discussion the creation an opportunity register with the CEO.

Agreed: It was agreed to recommend to the board that the statement of going concern be approved.

5 Regularity Self-Assessment Questionnaire

The ED: Finance confirmed that the questionnaire has been completed along with the additional annex required in response to COVID-19.

Agreed: It was agreed to recommend to the board that the regularity self-assessment questionnaire be approved.

6 Annual Report of the Committee to the Corporation and Accounting Officer

The updated annual report was presented with no further actions noted. It was agreed that the annual report was approved and thanks was given to the ED: Finance and DW for their work on completing this.

Agreed: It was agreed to recommend to the board that the annual report of the committee to the corporation and accounting officer be approved.

7 Any other items of urgent business

None stated.

8 Date & time of next meeting

Wednesday 24th February 2021 at 5pm.

Signed _____ Chair

Date _____

