



Joint Audit and Finance & Resources Committee

27 November 2018

Boardroom

Minutes

Attendees	Apologies	In Attendance
A Roberts (Chair) A Fawcett (Vice Chair) W Webster (Principal) J Leeming S Nixon T Unsworth	G Holmes G Brennan	G Westwater (Executive Director of Finance) J Love (External Auditor, Grant Thornton) M Harding (Internal Auditor, RSM)

ITEM	DESCRIPTION
1	Declarations of Interest
	Governors were reminded to declare any interests that they may have on agenda items to be considered. No interests save for standing matters were reported.
2	Apologies for absence
	Apologies were received from G Holmes and G Brennan.
3	Financial Statements 2018/19 and Draft Letter of Representation
	<p>GW presented the Financial Statements for 2017/18, reporting on an exception basis on:</p> <p>Merger – reference to the Merger with the University of Bolton is referred to in the Report of the Governing Body, and consequently the statements informed the reader of the University’s Parental Guarantee taken over the College debt with Barclays.</p> <p>Dissolution/Cessation Accounting – as a consequence of Merger, the dissolution of Bolton College and the formation of Bolton College Limited and the impairment of Tangible Assets (impairment) and transfer of Long Term Liabilities to Current Liabilities is fully disclosed. The preparation of the statements on a Cessation Basis led to an Emphasis of Matter in the Regulatory Auditor’s opinion and GW advised Grant Thornton would report further on this.</p> <p>Performance Indicators – performance against Leainers numbers/targets for 16-18s, Adult and Apprenticeships as well as performance against financial objectives were highlighted. It was noted performance against the financial objectives was improved from FY 2017/18.</p> <p>Financial Results – although a deficit was reported (due to one-off Merger, impairment, restructuring and Project Costs), the underlying surplus position was explained.</p> <p>Financial Health – it was confirmed the College’s financial health grade is “Satisfactory” for 2017/18 and forecast to improve to a grading of “Good” in FY 2018/19.</p> <p>In closing, GW reported on Governors’ attendance, and detailed the Regularity, Propriety and Compliance Statement and the Statement of the Responsibilities of Members. Finally, GW explained all significant movements with the Income and Expenditure Account, Balance Sheet and change to Accounting Policies – for Cessation Accounting - to members.</p>

ITEM	DESCRIPTION
4	<p>Regularity Audit Management Letter</p>
	<p>J Love presented on behalf of Grant Thornton (GT). The Regularity Auditor highlighted:</p> <p>Emphasis of matter - basis of preparation J Love drew attention to note 1 to the financial statements - which describes the basis of preparation of the financial statements. As described in that note, the Corporation of the Legacy College has dissolved following a merger with the University of Bolton on 1 August 2018. As such, the financial statements have been prepared on a cessation basis. J Love advised therefore that Grant Thornton's opinion is not modified in respect of this matter.</p> <p>Basis of reporting J Love confirmed Grant Thornton's report was made <u>solely</u> to the Board of the Designated Institute (DI), as a body, in accordance with the engagement dated 5 December 2018. She added the audit was undertaken so that GT could state to the Board of the DI those matters we are required to state to it in an auditor's report and for no other purpose.</p> <p>Finally, J Love referred members to points regarding confirmation of income (ESFA), post Balance Sheet update and the Audit findings.</p> <p>The Chair thanked Grant Thornton for their diligence with the Regularity Audit for 18/19.</p>
5	<p>AOB</p>
	<p>Governor Insurance Cover/Insolvency Act S Nixon enquired about appropriate cover for the Board, and it was noted that there is run-off cover in place for time with the old College. It was agreed to ask Eversheds to present to the Board re the Insolvency Act before the Act comes into force on 1 April 2019.</p>