



MidKent College

GOVERNING BODY

JOINT RISK & AUDIT AND FINANCE & GENERAL PURPOSES COMMITTEE

A joint meeting of the Risk & Audit Committee and the Finance & General Purposes Committee is to be held on **Tuesday 17 November 2020 at 12noon** to 1300hrs via Zoom.

Present:	Mr C Reeves	Chair of F&GP
	Mr M Blanning	F&GP
	Mr M Cook	Chair of Governing Body & F&GP Member
	Miss B Jossi	R&A
	Mr C Reynolds	Chair of R&A
	Mrs C Richardson	R&A
	Mrs N Swain	Co-opted F&GP Member

In attendance:	Ms C Burkin	Clerk to the Governing Body
	Mr S Cook	CEO/Principal
	Mr M Peat	Executive Director of Finance and Estates
	Ms L Keane	Scrutton Bland Internal Auditor
	Mrs N Wakefield	Mazars

Mr C Reeves agreed to Chair the meeting.

1 Declarations of Interest

The following members interests are numbered and referenced on the Declaration of Interest log dated 23 November 2020. Mr C Reeves (9); Mr M Blanning (2); Mr M Cook (3); Miss B Jossi (7); Mr C Reynolds (10); Mrs C Richardson (11) and Mrs N Swain (14).

2 Apologies for Absence

Apologies were received from Ms C Bushell External Auditors Mazars, Mrs A Currie, Mr N Davies, Mr P Goddard, Scrutton Bland and Miss A Orihere.

3 Minutes of the meeting held on 19 November 2019.

The minutes of the meeting held on 19 November 2019, paper GBJOINTR&A/F&GP19/32, were accepted as a true record and will be digitally signed by the Chair.

4 Annual Report and Financial Statements for the year ending 31 July 2020

Martin Peat introduced Paper GBJOINTR&A/F&GP20/35, the Annual Report and Financial Statements for the year ending 31 July 2020 for the College. The financial statements are produced and audited annually and demonstrate the financial position of the College and should be read in conjunction with the management letters and annual audit report. The format of the accounts has not materially changed since last year.

Members noted the strong accounts and a strong balance sheet with a trading surplus is £2.6m. A breakdown of adjustments had been scrutinised by the F&GP Committee with regard to the pension costs. The cash balance at the end of July is £6m.

The draft financial statements presented have been audited but not yet proofread. Members noted some of the amendments required. This will be completed outside the meeting prior to presentation to the Governing Body.

Action: M Peat

The Committee **agreed**, subject to proofing, the financial content of the report for recommendation to the Governing Body on 9 December 2020, after which it will be sent to the ESFA as required.

Action: M Peat/C Reeves

Martin Peat also presented GBJOINTR&A/F&GP20/35a, the Annual Report and Financial Statements for the year ending 31 July 2020 for MKCTS.

Members noted the strong position and performance. The MKCTS accounts are scrutinised at every F&GP Committee. It was agreed that following the strategic discussion re the MKC/MKCTS relationship, the loan between MKC and MKCT will be reconsidered.

Action: F&GP

5 Mazars Management Letter

Nicola Wakefield of Mazars (External Auditors) introduced papers GBJOINT/R&A/F&GP20/36a-d the Audit Report and Management Letters.

The audit was effectively completed remotely, on time and with no audit adjustments. Proofreading, third party confirmation, assumptions re the pension adjustment and new appendix of the regularity audit are still to be completed.

The audit was conducted and the College has received an unqualified audit report for both the Statutory Accounts and the Regularity audit. Mazars reported a clean audit with no concerns raised.

Members noted that as part of the audit of the annual Financial Statements the auditors produce a Management Letter to summarise their audit conclusions and should be read in conjunction with the financial statements.

N Wakefield talked members through each section of the Audit Report. She reported a clean audit and process which included good quality planning and closing meetings with the finance team. She highlighted the following:

- Bad debtors – audit reviewed the process with nothing reported that would affect the accounts.
- Funding clawback provision has been based on ESFA formula.
- Fixed asset note made but no concerns raised.
- Low level controls raised and could be strengthened in certain areas.

Members were assured by the letters and comments of the External Auditors which reflected an open, honest and transparent relationship between them and the College in difficult circumstances.

Members **agreed** the letters, following the above review, for signing by the Chief Accounting Officer after presentation to the Governing Body for approval and signature.

ACTION: M Peat

The Committee thanked M Peat and his team.

6 Any Other Business

There were no items of AOB.

7 Date of Next Meeting

The next scheduled meeting will take place in November 2021, date and time to be confirmed.

The meeting closed at 1230hrs.