



# Heart of Yorkshire Education Group

Joint Audit and Finance, People and Resources Committee Minutes of the

Heart of Yorkshire Education Group

On 22<sup>nd</sup> November 2022 at 4pm

Via MS Teams

**Present:** Nigel Brook (NB), Neil Warren (NW), Jason Brook (JB), Michael Clarke (MC), Jayne King (JK), Andrew McConnell (AM), Richard Stiff (RS), Martyn Shaw (MS)

**Apologies:** Claire Corneille (CC), Ian Parsons

**In attendance:** Patrick Clark (PC – from ICCA), Richard Lewis (RL – from RSM), Jason Pepper (JP – Executive Director, Finance and Resources), Antonia Praud (AP – Director of Governance)

**Apologies:** Karen Sykes (KS – Executive Director – People)

Item		Action
1	<p><b>Declarations of Interest, Apologies for Absence and Welcome</b></p> <p>The Chairs welcomed all attendees to the joint meeting.</p> <p>Nigel Brook was confirmed as the new Chair of the Audit Committee and Neil Warren as the Chair of the Finance, People and Resources Committee. It was confirmed that NB would chair the joint section of this meeting.</p> <p>A warm welcome was given to new members on each of the committees:</p> <ul style="list-style-type: none"> <li>• Jason Brook – Audit Committee</li> <li>• Jayne King – Finance, People and Resources Committee</li> <li>• Richard Stiff – Audit Committee</li> </ul> <p>Apologies were received from Claire Corneille and Karen Sykes, which were accepted with consent.</p> <p>There was one declaration of interest: JK, in her employment with the British Library, worked with WYCA, ICCA and RSM.</p> <p>No items of “Any Other Business” were noted.</p> <p>Thanks were noted to Ruth Sacks, who had recently resigned from the board, for her support and advice to the Audit Committee.</p>	

2	<p><b>ESFA Funding Audit</b></p> <p>See confidential minutes.</p>	
3	<p><b>Selby College Report and Accounts</b></p> <p>Governors confirmed that the narrative needed to be comprehensively rewritten.</p> <p>It is anticipated that the ESFA audit may see the recovery of some ESFA funding, incorrectly claimed by Selby College. As a result, the draft financial statements and regularity self-assessment questionnaire would require amendment before they can be approved by Governors.</p> <p>RSM has also confirmed that it would be unable to offer an audit opinion of the draft financial statements, or issue their final audit findings report, until it had had sight of the final ESFA audit report.</p> <p><b>Selby College Closing Financial Statements</b></p> <p>Governors challenged the numbers in the report, questioning how they could appear so different to the reports given, within weeks of the college being dissolved. The latest headlines were as follows:</p> <ul style="list-style-type: none"> <li>• Selby College reported a deficit outturn of £1.031m for the accounting period ending 28 February 2022.</li> <li>• The College had no debt at the point of dissolution, having repaid it's loans.</li> <li>• The calculated financial health grade of Selby College on 28 February was 'Requires Improvement'.</li> <li>• On 28 February, the College held £1.8m of cash, which was transferred across to the Group at the point of merger.</li> </ul> <p>Governors asked that the narrative in the report, note how the college had moved into deficit, from the £300-£400k surplus reported most recently, and fallen from Good to Requires Improvement, having received an explanation that it was a combination of factors including:</p> <ul style="list-style-type: none"> <li>• Depreciation of items on the Asset Register</li> <li>• A shortfall in apprenticeship funding</li> <li>• Costs assigned to the merger activity</li> <li>• It was also requested that the report make clear that all debts and loans had been repaid.</li> </ul> <p>Governors also requested it be clearly recorded in the group financial report and accounts that the Group received a cash injection (currently £1.8 million) at the point of transfer, in addition to the real estate and future income, so the benefits were clearly recorded.</p> <p>See confidential minutes.</p> <p>Governors asked if the Group had an assurance map, checking against legal, regulatory, curriculum responsibilities. It was confirmed that this would be developed alongside the board assurance framework, and shared with the committees.</p>	<p>1</p> <p>2</p> <p>3</p>

	<p><b>Draft Findings Report</b> RSM will share this report when completed, but it will be subject to a revision, subject to the result in the audit.</p> <p><b>Draft Self-Assessment Regularity Questionnaire</b> The draft Regularity SAQ had been prepared for Selby College and was presented for consideration by Governors. However, as this is also likely to require revision once the final ESFA ILR audit report has been received by the Group, it was carried forward.</p>	<b>4</b>
	<p>Thanks were noted to members of the Finance, People and Resources Committee, who then left the meeting.</p>	

### Action Log from the Meeting:

1	Amend the report and accounts, and self assessment reports	JP, NB, NW and AP	ASAP after the Audit report
2	Add a narrative to explain the changes to the financial position	JP	ASAP after the Audit report
3	Report back on the development of an assurance map and board assurance framework	JP	Spring 2023
4	Amend the report and accounts, and self assessment reports	NB and AP	ASAP after the Audit report
5	Arrange Audit retender through a purchasing framework	JP	Spring / Summer 2023
6	Review internal audit reports in the March meeting	ALL	March 2023

