



## **JOINT MEETING OF THE CORPORATE SERVICES AND AUDIT COMMITTEES**

**Report:** Minutes of the meeting held on Wednesday 2 December 2015  
**Author:** Clerk  
**Action:** Approve  
**Status:** Open

<b>Present:</b>	<b>Audit Committee</b>	<b>Corporate Services Committee</b>
	Chris Macklin	John Holt
	Neil Weddle	John McElroy
	Darren Heathcote	Judith Doyle

**In attendance:** Claire Leece (RSM)  
Robert Auty (PWC)  
David Keetley  
Samantha Pritchard (Clerk)  
Suzanne Clark (Minutes)

### **JCA/11 Welcome / Apologies**

Chris Macklin took the Chair and welcomed all to the meeting. Apologies were received from Robin Mackie, Ian Renwick, Karen Finlayson and Gareth Rowe.

Members were invited to declare any interests on any item on the Agenda. No interests were declared at this stage in the meeting; however, members noted that should the direction of debate on any item result in a potential conflict of interest, this should be indicated in the meeting.

### **JCA/12 Minutes of the last meeting dated 4 December 2014**

The minutes of the meeting held on Thursday 4 December 2014 were agreed as a correct record save for the following amendment; Ian Renwick is included in both the present list and the apologies. The Clerk confirmed that Ian submitted apologies for the meeting and the minutes will be amended to reflect this. The spelling of Claire Leece's name will also be corrected.

### **JCA/13 Matters Arising**

There were no matters arising.

## ITEMS JCA/14-JCA/16 ARE CONFIDENTIAL AND NOT FOR PUBLICATION

*The Committee noted the External Audit Findings for Subsidiary Companies for the year to July 2015 and recommended its submission to the Board.*

*The Committee noted the College External Audit Findings Report for the year to 31 July 2015 and subject to minor clarifications, recommended its submission to the Board*

*The Committee approved the Annual Report of the Audit Committee 2014/15 and recommended its submission to the Board.*

### JCA/17 Report and Financial Statements of the year 31 July 2015

John Holt (JH), Deputy Principal: Operations / Finance Director presented the Report to the Committees.

The Committees were advised that income was showing a decrease on the year before but stressed that this was higher than in the original budget. Staff costs have been reduced by over £1m in year. There has been a reduction in other operating expenses due to reducing sub-contracted work. A credit from FRS17 has increased the bottom line significantly. The balance sheet remains strong. Debtors have decreased and the College will continue to look to minimise this.

A Member commented that information relating to pensions and similar obligations within note 27 are difficult to follow through. CL explained how the figures are calculated. JH explained that this is made up of two different elements due to the changes within the pension scheme. CL suggested that it be added into the report how this is calculated in future. The Member accepted that there are constraints. The Chair added that the pension scheme has potential to have a significant bearing on the financial position of the College.

The Chair asked for clarification on what is included in other income. JH responded that this is primarily from lettings and rental income and it also includes the Handpicked shop, opened in November 2014.

In relation to note 11, CM asked whether the issue was linked to FRS17. JH explained that subsidiaries are used to contribute to the growth of the College. The Chair suggested adding a note advising that the position is a conscious decision. JH agreed to include this. The Chair added that this would ensure that when the documents are in the public domain that the position will be clear.

A Member commented that he was surprised to see that teaching staff numbers were declining but support staff numbers were increasing. The Principal explained that that this was a strategic approach to develop the business and had been discussed with Governors at their Strategy Day in April 2015.

**Action: JH/RSM to add further clarification to notes 11 and 27.**

***Subject to the minor clarifications, the report and financial statements were approved.***

### JCA/18 Any other business

The Principal advised that she had attended the launch of the HMCI's annual report at Westminster on 1 December 2015. She reported that Gateshead College are specifically mentioned within the report and the College were included as part of the speech. The

report makes references to the College's focus on teaching and learning and the Principal will report further to the Board on 10 December 2015. A Member commented that the report didn't reflect very well on the local area so it is welcome that there is specific reference to the College's achievement.

The Chair made reference to the excellent set of accounts and reports presented at the meeting and acknowledged the work of JH and David Keetley and the Finance Team and thanked them for their stewardship and professionalism in managing the College's finances.

### **JCA/19 Dates of next meetings**

The dates of the next meetings were confirmed as:

Audit Committee – Wednesday 3 February 2016 at 4.30pm

Corporate Services Committee – Thursday 28 January 2016 at 12.30pm