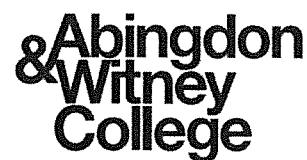


CORPORATION BOARD AUDIT COMMITTEE



Minutes of a virtual meeting held on Thursday 16 June at 6pm

Present

Ali Kennedy
Adam Mumford, Chair
Nicolas Pagès

In attendance

Yasmeen Mehmood, TIAA Client Manager
Mark Lay, Finance Director,
Olivier Cognard, Vice Principal, Funding, Planning, and Systems
Improvement
Stuart Hay, Head of Finance
Jenny Lowe, Clerk & Governance Advisor

Governor questions are represented with bullet points, and management responses are italicized.

1. Opening comments, apologies for absence and new declarations of interest

The Chair welcomed committee members and advisors to the meeting. There were no new declarations of interest. Apologies were received from the Principal. The meeting was quorate. The Chair recorded thanks to John Revis for his contribution to the Audit Committee.

2. Minutes of the meeting held on 8 March, 2021

The minutes were approved for signature.

3. Matters arising from the Minutes not covered elsewhere on the agenda, and Action tracker

The report was noted. No additional matters were raised.

4. External Audit: Key Issues and Concerns

Stuart McKay from MHA introduced the proposed Audit Strategy and timetable for the year ending 31 July 2021.

Governors thanked MHA for the presentation and Audit Strategy.

The Committee agreed to recommend that MHA are appointed to carry out the proposed Audit Strategy for the year ending 31 July 2021.

Governors should give consideration to whether to invite the Auditors to Board meeting in December 2021 or to invite the Chair to Audit Committee in November 2021 to comply with the new Audit Code of practice.

Action	By Whom	Deadline
Add Audit Strategy to Board agenda	Clerk	July Board meeting

5. Internal Audit: Key Issues and Concerns

Yasmeen Mehmood introduced the report and noted that the Key Financial Controls Audit had now been completed giving substantial assurance with one priority 3 (routine) recommendation.

Audits in the areas of Governance, Health & Safety and a Follow Up audit were in progress and due to be completed before the end of the academic year.

- Why are there a large number of actions showing up as red/overdue or amber/near deadline on the tracker? *Many of these actions are green, but the tracker has not been updated on TIAA's system. The follow up audit will highlight which of the actions are outstanding.*

The SICA report was noted.

6 RSM LNS Audit – Headline findings

The VP Funding, Planning and Systems Improvement introduced the report, noting that RSM had carried out the compliance work in May 2021 covering AEB, 16-19 study programmes and with a specific focus on Apprenticeships.

Initial findings outlining key concerns were discussed. These will be addressed and investigated further to establish the scale of the issues identified. The findings will be brought to the next Audit Committee meeting.

- Do we know if these are endemic problems or isolated incidents? *No, we are looking at each of the issues to establish the scale of the problem.*
- Do we look at risk? *Yes we will be reviewing and indicating the level of risk for each of these areas.*

Action	By Whom	Deadline
Bring further analysis of the issues identified to next Audit Committee Meeting	VP Funding, Planning and Systems Improvement	November meeting

7 Subcontracting

Governors noted the report and the Chair agreed to discuss committee responsibilities with the Chair of F&GP.

8 Risk Management: Key issues and concerns

Whole College Risk Register and High Level Risk Register

The Finance Director introduced the report and noted the updates to the Whole College Risk Register and High Level Risk register.

- In light of the decisions at Board re the GCSC does risk 4.11 need to be revised? *Yes this will be amended.*
- This is a large document, how useful is it to the college on an operational level? *SMT use and review the risks regularly. During the pandemic, it has been harder to review with SMT as the opportunities to meet have been more limited.*

The High Level Risk Register was recommended to the Board.

Action	By Whom	Deadline
Add High Level Risk Register to the Board agenda	Clerk	July meeting

9 Annual Reports

- i. Gifts and Hospitality Register

The report was noted

- ii. Public Interest Disclosure (Whistleblowing) report

The report was noted.

10 Use of College Seal and approval of high level contracts report

The report was noted.

11 Any Other Business

None had been raised.

12 Future Business Items and reflection

Governors noted the proposed future business and the proposed scheduling of work for 21/22.

The business area presentation item for future meetings was discussed, the Committee agreed that Learner Numbers would be the area covered at the next meeting
The report was noted.

Action	By Whom	Deadline
Add Learner Number Systems business area presentation to the next Audit Committee Agenda	Clerk	November Audit Committee meeting

The meeting closed at 6.55 pm.

Approved for signature:

Signature

Date

Action points arising from the Audit Committee held on 16 June 2021

Item & Title	Action	By whom	deadline
4. Audit Strategy y/e31 July 21	Add Audit Strategy to Board agenda	Clerk	July Board meeting
6. RSM Learner Number Systems Audit	Bring further analysis of the issues identified to next Audit Committee Meeting	VP Funding, Planning and Systems Improvement	November meeting
8. Risk Management	Add High Level Risk Register to the Board agenda	Clerk	July meeting
12 Future Business and Reflection	Add Learner Number Systems business area presentation to the next Audit Committee Agenda	Clerk	November Audit Committee meeting

CORPORATION BOARD AUDIT COMMITTEE



Minutes of a virtual meeting held on Monday 8 March at 6pm

Present

Ali Kennedy
Adam Mumford, Chair
Nicolas Pagès
John Revis

In attendance

Philip Lazenby, TIAA Account Director
Yasmeen Mehmood, TIAA Client Manager
Mark Lay, Finance Director,
Olivier Cognard, Vice Principal, Funding, Planning, and Systems
Improvement
Jacqui Canton, Principal
Stuart Hay, Head of Finance
Jenny Lowe, Clerk & Governance Advisor

Governor questions are represented with bullet points, and management responses are italicized.

1. Opening comments, apologies for absence and new declarations of interest

The Chair welcomed committee members and advisors to the meeting. There were no new declarations of interest. The meeting was quorate.

2. Minutes of the meeting held on 25 November, 2020

The minutes were approved for signature.

3. Matters arising from the Minutes not covered elsewhere on the agenda, and Action tracker

The report was noted. No additional matters were raised.

4. External Audit: Key Issues and Concerns

Performance review of external auditors

The Finance Director introduced the report and noted that this year's audit process had run smoothly in spite of the restrictions caused by the pandemic.

The report was agreed and noted.

5. Internal Audit: Key Issues and Concerns

Phil Lazenby reported that despite the unusual circumstances caused by the pandemic, TIAA's engagement with the College had been enjoyable and regular contact had been maintained with the Finance Director to ensure audits ran efficiently.

5.1 Summary Internal Controls Assurance Report March 2021

Yasmeen Mehmood introduced the report and noted that summary detail of the two internal audit reports was covered, alongside an update on progress made on management actions on previously-issued reports.

- *Governors queried the recommendation arising from the Admissions Audit, regarding collecting data on prospective students who have shown an interest in joining the College, yet opted to go elsewhere due to the availability of their preferred courses. Would the cost/time involved in implementing this recommendation outweigh the benefit to the College? Although the College would not be able to respond in year to this data, it would be useful in terms of gauging demand and the information would*

feed into curriculum development and planning. The cost was not prohibitive, and the College has begun to collect this data.

After Easter, a follow up Audit would be undertaken, along with the planned audits on Governance and Health and Safety.

The process followed to track recommendations was outlined to the Committee. The Finance Director updates an online portal hosted by TIAA when management actions are complete, and the updates are verified by TIAA when they conduct the follow up Audit.

The SICA report was noted.

5.2 Internal Audit Plan 2021/22

The revised internal audit plan was presented to the committee for review and approval.

The Finance Director noted that it was proposed that audits next year take place in Term 2 rather than spread across the year, with a view to bringing all IA reports to the Summer Audit Committee meeting.

- *Why is procurement being audited again?* The focus for next year is on a different area of procurement – the contract register and charge cards.

The revised plan was approved and recommended to the Board.

Action	By Whom	Deadline
Add amended IA plan to the Board agenda	Clerk	March meeting

6 Internal Audit of Learner Numbers System

The VP Funding, Planning and Systems Improvement introduced the report, proposing the instruction of RSM to conduct a mock assurance review of the Learner Numbers System (based on the process followed by the ESFA) and to provide training.

- *Are all three areas audited in the first year?* Yes, but the sample size can be varied.
- *How many of the team will undergo training?* At least 6, but the number is not limited, so additional staff with an interest can attend.
- *Is the cost of the work covered by the budget?* Yes, there is some uncommitted Audit budget which will cover the cost in part.

The Committee were asked to consider whether they wish to recommend an increase to the Audit budget in future years to cover the cost of this work and also retain an uncommitted budget for any ad hoc audit work required in year. The Committee supported this proposal for future years.

Governors unanimously approved the proposal and recommended the appointment of RSM to the Board.

Action	By Whom	Deadline
Add appointment of RSM to the Board agenda	Clerk	March meeting

7 Risk Management

High Level Risk Register

The Finance Director introduced the report and noted the updates to the High Level Risk register. The recommendation to include an indicator to reflect the three 'lines of defence' had been implemented.

The Committee commended the work undertaken on the risk register.

The High Level Risk Register was recommended to the Board.

Action	By Whom	Deadline
Add High Level Risk Register to the Board agenda	Clerk	March meeting

8 Reserves Policy

The Finance Director introduced the draft policy and noted that it was good practice for Colleges to have a Reserves Policy. The policy had also been reviewed by F&GP Committee who had requested that a paragraph be added to the policy to ensure that the definition of free reserves was clear.

Governors commended the introduction of the policy.

The policy was recommended to the Board subject to adding the definition of free reserves.

Action	By Whom	Deadline
Add Reserves Policy to the Board agenda	Clerk	March meeting

9 Use of College Seal and approval of high level contracts report

The report was noted.

10 Any Other Business

None had been raised.

11 Future Business Items and reflection

Governors noted the proposed future business and the proposed rescheduling of work for 21/22.


The business area presentation item for future meetings was discussed, the Committee agreed that Learner Numbers would be the area covered at the next meeting, with an intention to revisit HR in the post Covid environment.

The report was noted.

Action	By Whom	Deadline
Add Learner Number Systems business area presentation to the next Audit Committee Agenda	Clerk	May Audit Committee meeting

The meeting closed at 6.55 pm.

Approved for signature:

Signature 

Date

Action points arising from the Audit Committee held on 8 March 2021

Item & Title	Action	By whom	deadline
5.2 Internal Audit Plan 21/21	Add amended IA plan to the Board agenda	Clerk	March Board meeting
6 Internal audit of Learner Number Systems	Add appointment of RSM to the Board agenda	Clerk	March Board meeting
7 High Level Risk Register	Add High Level Risk Register to the Board agenda	Clerk	March Board meeting
8 Reserves Policy	Add Reserves Policy to the Board agenda	Clerk	March Board meeting
11 Future Business items	Add Learner Number Systems business area presentation to the next Audit Committee Agenda	Clerk	May Audit Committee