

Minutes of a virtual meeting held on Monday 7 March 2022 at 12.15

**Present**

Adam Mumford (Chair)  
Ali Kennedy

**In attendance**

Jacqui Canton (Principal)  
Laura Grainger (Clerk)  
Olivier Cognard (Vice Principal)  
Stuart Hay (Head of Finance)  
Mark Lay (Finance Director)  
Yasmeen Mehmood (TIAA Client Manager)

**Apologies**

Nicholas Pages

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

**1 – Opening comments**

Apologies were received from Nicolas Pages. The chair welcomed Laura Grainger to the meeting. No new declarations of interest were raised and no matters to be added under AOB.

**2 – Minutes of previous meetings**

Members approved the public minutes of the previous meeting held on 24 November 2021 as accurate and appropriate for signature.

**3 – Matters arising, written resolutions and action points**

All action points were completed and the committee noted the paper.

**4 – External Audit Matters**

**4.1 – Performance review of External Auditors and future KPIs**

The Finance Director summarised the report and then took questions.

- The delivery of audit services has been remote the last few years. Is it more likely to be on site this year? Do we see any impact on the quality when it has been off site?  
*Offsite appears to work, so we may continue with this. It hasn't impacted on quality and reduced cost as there are no travel expenses. A small benefit of being on site is they could do some fixed asset verification – but we have been sending photos and this has been adequate.*
- There is a typo in the report when you refer to 19/20 audit.  
*I'll correct it.*
- You talk about extending the MHA work for the July 2022 audit to include preparation of the financial elements of the Financial Statements – are you just reviewing it at the moment?  
*There is a duplication of effort between what the Head of Finance does, and then translating for the auditors. I would ideally like the approval of this committee (for an extra £3k) to see if this is the way to go. We need to understand from them what this additional reporting process would look like and if it provides us with value for money. We will have an audit planning meeting with Macintyre and then I will feed back to the Audit Committee in June.*
- A concern with this - when they do the external audit, won't they be 'marking their own homework' – is there a conflict of interest issue here? I would want assurance from them on this.  
*We will still be providing the working documentation, but they will complete the long, time-consuming template for us.*

The committee support the recommendation to move forward with MHA Macintyre Hudson for another year and recommends to the Board for the year ending 31 July 2022.

Action	By whom	Deadline
Mark to report back to the Committee on discussions with Macintyre	Mark Lay	Next meeting

**4.2 – Macintyre Hudson 6 week audit log review**

The Vice Principal of Funding, Planning and Systems Improvement introduced the report and took questions. The Chair thanked Olivier for the report and found it useful, noting how much work goes into ensuring accuracy.

- If you understand the degree of interventions required, it is a benchmark to understand the quality of the source data. What portion of our records need manual intervention?  
*Every single enrolment is checked and many require amendments. It is part of the lifecycle of data. What we cannot do yet is know how many data interventions there are. But we might want to consider looking at this in the future.*
- Have we had any clawback on this issue before? You say it's 2.5% of the funding relating to the specific error.  
*No, we haven't. Although it has been at least 15 years since our previous audit. Those Assurance Reviews are carried out on behalf of ESFA and are based on risk levels identified through the data return every month (ILR). Every year, some organisations are also selected for Assurance Review randomly.*

The Committee noted the report.

## 5 – Internal Audit matters

### 5.1 – Internal auditors' SICA report

Yasmeen Mehmood (TIAA Client Manager) presented the progress report to the Committee. Yasmeen drew attention to Point 2 of the Summary of Internal Controls Assurance as the risk management review has been completed and dealt with by the Finance Director, where the finding was won of 'substantial assurance'. Yasmeen pointed the committee to paragraph 6 (progress in actioning priority 1 and 2 recommendations) and explained that in term 3 she will go through the recommendations and a number of these will be closed on the tracker, upon receipt of supporting evidence, for those which have been indicated as implemented by the College. At the next Audit Committee there be a refreshed update, as a result of the term 3 follow up. Yasmeen then took questions from the committee.

- For the H&S recommendation you set out that 4 have been implemented and one given a revised implementation date. Which one has been given the revised implementation date?  
*If you look at Appendix C (progress update) C, and look at Health and Safety section, the latest response shows it's work in progress with revised date being December 2022. Although this has not been completed, it is a recommendation of a system review. Risk assessments are reviewed during investigation. The Principal said she would take a full look at the H&S recommendations.*
- There is a potential typo on page 12: performance indicators. Says courses not on offer are not being recorded, should is say they are now being recorded?  
*Not actually in place yet – it should be in place by May 2022. So this isn't a typo and doesn't need correcting.*

The committee approved the report.

Action	By whom	Deadline
Jacqui to look at H&S recommendation in full	Principal	asap

### 5.2 – Progress on outstanding Internal Audit recommendations

The Finance Director introduced the report which sets out the actions not yet completed from internal audits and drew attention to two of them which he believes had been superseded:

- Devising a Value for Money KPI and report termly to SMT and CLT. The Finance Director explained that we do an annual report already, alongside a variety of other data - and wasn't not sure what additional value a termly KPI would generate. The committee agreed.
  - Purchasing 'cut books' for recording minor accidents. The Finance Director felt this would now be covered by the 'near misses'. The committee agreed.
- The discrepancy you mention between what TIAA and the college are showing on implemented recommendations - will this be worked on when Yasmeen does term 3 report?  
*Yes, TIAA cannot say it's been completed until they see the actual evidence on site. So whilst the TIAA show 35 actions not yet implemented, we believe we have implemented 26 of these (which will be signed of in Term 3).*

The committee approved the report.

## 7 – Risk management

### 7.1 – High level risk register review and action plan review

The Finance Director introduced the report and then took questions on all areas.

**RISK REGISTER:**

- Should we have a risk on increase in fuel prices?  
*From a college energy point of view we are tied in for 2 years at a fixed cost until Sept 2024, so there is no immediate risk.*
- Do you think your energy supplier can stay viable on that fixed term contract until 2024? Might they go bust if they have sold a lot of these?  
*Yes, that's a valid risk. But the ones we deal with are covered under a government arrangement so I think we could negotiate our prices with a new provider.*
- Given the current situation in Ukraine, are there any other items in the supply chain (other than fuel) which may cause us issues in terms of pricing? Have you done an end to end review of the supply chain?  
*It is worth us considering it as, for example, the cost of construction materials has increased. Most of our suppliers are service based, but energy is the big risk for us in the future. It was agreed that SMT would consider adding this as a risk.*
- Do we have any Russian and/or Ukrainian student or staff?  
*Yes we do. We are looking at all welfare concerns and doing all we can.*

**RISK ASSURANCE MAP:**

- There is a concern we will be blinded by paperwork. There might be some merit using a risk assurance map on the biggest risks but feel there would be too much detail. I think we should park the use of these for now.  
*Yes, this would be another document to keep up to date.*
- The risk register itself has gone through modification over the last year and I think we should concentrate on this, rather than bringing something new into the environment.  
*We put an implementation date by December – so it's not something TIAA are going to look at now, so this buys us some time. We should review after a few meetings of looking at the new Risk Register.*

The committee recommended the report to Board.

Action	By whom	Deadline
Consider adding energy risk and other supply chain issues at SMT	Mark Lay	30 June 2022

**8 – Good practice guide – the scope of work of audit committees**

Laura Grainger introduced the report. The Committee noted it was pleasing to see that we are doing a lot of the items already.

- It suggests that with risk management we should draw on sector wide insights. Do we speak to other colleges? Should it come up, please ask.  
*We don't specifically talk to other colleges about risk registers. We have a half termly meeting of Finance Directors for the South East, which does tend to focus on funding more than anything else. We have one on Friday –and I will raise this issue then.*
- It recommends putting external audit out to tender at least every 5 years. How long have we been using ours? These are guidelines, but we should make a note that (when the market calms down) we would be wise to revisit.  
*We have been with our current provider for over ten years. We did go out to tender in 2016 but stayed with current provider. We should look at tender and benchmarking next year.*

The committee noted the report.

Action	By whom	Deadline
Discuss sharing risk management best practice with the South East Finance Directors meeting	Mark Lay	Next Finance Director meeting
Review tender process (and benchmarking) of external auditors next year.	Mark Lay	2023

**9 – Update on use of college seal and high value contracts**

The committee noted the report.

**6 – Internal and External Auditor appointment**

The Committee had agreed to move this item to the end of the meeting. Yasmeen Mehmood left the meeting at 13.13.

The Committee noted the report and agreed that they would like to recommend another year's contract. Whilst this isn't a specific item on the Board agenda, the Chair agreed to cover as part of his update.

Action	By whom	Deadline
Recommend another year appointment (as part of Audit Committee Chair update)	Chair	Board meeting

**10 – Any other Business**

The committee discussed co-opted committee members and how to arrange this for the Audit Committee. Whilst applications to become a co-opted member may have to follow a formal application process (Laura to confirm), members (and staff) were encouraged to informally talk to prospective applicants.

Action	By whom	Deadline
Confirm application process for co-opted committee members	Clerk	By next meeting
Have informal discussions with prospective co-opted members	All	asap

**11 – Future business and reflection**

The Committee agreed that online meetings were preferable.

**12 - Date of next meeting – 15 June 2022**

The meeting closed at 13.25

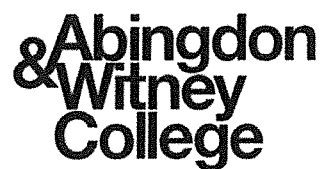
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Date.....

## CORPORATION BOARD

### AUDIT COMMITTEE



Minutes of a meeting held on Wednesday 24<sup>th</sup> November 2021 at 12.15pm. Hybrid meeting.

<b>Present</b>	<b>In attendance (in person)</b>	<b>In attendance (via Teams) to end of item 7.2</b>
Adam Mumford, Chair Nicolas Pages	Jacqui Canton, Principal Mark Lay, Finance Director Olivier Cognard, Vice Principal Stuart Hay, Head of Finance Nick Handy (to end of item 4) Victoria Hazel, Assistant to the Board	Stuart McKay, MHA Yasmeen Mehmoud, TIAA Phillip Lazenby, TIAA

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

#### 1. Opening Comments

Ali Kennedy not present. The meeting was quorate. No declarations of interest or other matters were raised.

#### 2. Minutes of previous meetings

2.1 The Public Minutes from the previous Audit Committee meeting held on 16<sup>th</sup> June 2021 were approved.

#### 3. Matters arising, written resolutions & action points

All action points from the previous meeting have been completed. The report was noted.

#### 4. Financial Statements 31<sup>st</sup> July 2021

The Chair of the F&GP Committee gave an overview of the review of the Financial Statements by the F&GP Committee. The F&GP committee's focus is to examine the underlying results and management commentary consistency with previous reviews of management accounts and other reports, not the controls and processes in place.

An Accounting Judgements and Estimates Paper is newly included as a supporting paper to the Statements.

The Statements show an increase in turnover and in staff costs. The strategy review is examining whether we have an appropriate cost base for the college turnover.

The LGPS figures have been reached using the actuaries calculation, which the F&GP committee agree is an appropriate calculation to use.

The F&GP committee agreed that the Financial Statements were consistent with previous reviews of management accounts and have approved them for recommendation to the Board.

The F&GP Committee propose that the Subcontractor Annual Report would be more appropriate for the Audit Committee to review going forwards. The Audit committee are in agreement with this proposal.

Action	By whom	Deadline
Recommend to the Board that the Subcontractor Annual Report be moved from the F&GP Committee to the Audit Committee Cycle of Business.	Chair of F&GP Committee	December Board meeting

#### 4.1 External Auditor's Letter of Representations

Stuart McKay from MHA presented the External Auditor's Letter of Representations. The letter is a standard Letter of Representations with no non-standard elements.

The letter was approved for recommendation to the Board.

#### 4.2 External Auditor's Management Letter

Stuart McKay from MHA presented the External Auditor's Management Letter (Audit Findings Report). Following their review of the College's ILR review they observed lots of areas of good practice and, while a number of different colleges

use different methods for ILR, Abingdon & Witney were, in their opinion, in the upper tier with regard to assurance around this.

Action	By whom	Deadline
The log from the six- week check to be examined at the next Audit Committee meeting.	Audit Committee	Audit Committee meeting March 2022

The letter was noted by the committee.

#### 4.3 Draft Propriety and Regularity questionnaire 2020-21

The Finance Director compiled and presented the Draft Propriety and Regularity questionnaire 2020-21 as no Clerk currently in post.

- Page 6 of the questionnaire mentions no termination payment settlements brought to the attention of the Board but also that 3 settlements have been made? *All 3 payments were within the value that the Principal can approve.*

Action	By whom	Deadline
Clarify in the questionnaire that the termination payments made were within the value able to be approved by the Principal so were not required to be brought to the attention of the Board.	Finance Director	December Board meeting

- Do we need to clarify in the questionnaire that we don't have a Clerk in post? *No as this questionnaire covers the previous academic year during which time a Clerk was in post, but will need to be stated in the 2021/22 report. This is also the case for all other audit and financial reports referred to in this meeting.*
- Is it correct that all SMT expenses claims for the year totalled £17? *Yes as due to the pandemic we were not able to travel, attend events or host visitors in the usual way.*
- How do we best allow remaining governors not part of this committee to interact with the audit review? *Options have been discussed and settled on a 1:1 meeting between the external auditors and the Board Chair as the preferred option.*

Action	By whom	Deadline
Finance Director to send introductory email to external auditors and Board Chair to arrange meeting.	Finance Director	December Board meeting

The questionnaire was approved for recommendation to the Board.

#### 4.4 College compliance with HMRC Furlough Scheme and Public Procurement Notices during the COVID19 pandemic

The Finance Director presented the report on College compliance with HMRC Furlough Scheme and Public Procurement Notices during the COVID19 pandemic. There was a small demand for furlough payments during this reporting period but was significantly less (approximately two-fifths) of the initial round of the scheme in 2019/2020. The regulatory self-assessment questionnaire has been completed again.

- Have there been any significant policy changes relating to the furlough scheme? *No, and there have been less issues of non-supply as most has carried on.*

The report was noted.

#### 4.5 Financial Statements 2020/21

The Finance Director presented the Financial Statements 2020/21. The Chair of the F&GP Committee has conducted a thorough review and some non-financial amendments have been made:

A new student governor was appointed on 8<sup>th</sup> November and has been added to the Board of Governors listed, as he will be in place at the time of signing the Statements; proper titles for governors such as Dr will be used; LGBTQ has been amended to LGBTQ+.

In light of the discussion and papers received and reviewed the Audit Committee were satisfied with the assurance given on the governance and internal controls in relation to the Financial Statements and thanked the Finance Director for the papers.

The Statements were approved for recommendation to the Board.

## 5. In-Year Business Cycle

### 5.1 Business area presentation – Learner Number Systems

The Vice Principal for Funding, Planning and Systems Improvements gave a presentation on the College Information Team (CIT) which comprises 21 staff. The team oversee the EBS database as well as dealing with applications and enquiries, open days, interviews and offers, exam registration and certification. Enrolment is moving to an online process.

The team is also responsible for ILR submissions for funding.

- Does the team conduct student interviews? *No they make arrangements for these to happen within departments but can support interviews where needed.*
- This is a more significant area of work and size of team than had been realised. *Yes and is also the area that carries the most risk if work is not carried out accurately due to potential funding clawback.*

The committee thanked the Vice Principal and noted the presentation.

## 6. Internal Audit Matters

### 6.1 Internal Audit Report for 2020/21

Yasmeen Mehmoud from TIAA presented the Internal Audit Report for 2020/21. An overall assessment of 'reasonable' assurance was given with 22 recommendations.

- The status of several items recommended in the previous report have not progressed, the committee Chair has discussed with the Finance Director. *These are being addressed and 6 out of the 10 items are now completed, a further item will be completed by Christmas and the remaining three will be completed in the first quarter of 2022. Actions and evidence will be updated on the portal before the March Audit Committee.*

Action	By whom	Deadline
Update portal with actions and evidence of Internal Audit recommendations from previous reports.	Finance Director	March Audit Committee meeting

The committee thanked TIAA for the report and in particular the Health and Safety recommendations.

The report was approved for recommendation to the board.

### 6.2 Summary Internal Controls Report

Yasmeen Mehmoud from TIAA presented the Summary Internal Controls Report which included the Health and Safety and Wellbeing report, Governance Strategic Planning and Subcontracting report and certificate.

A cybersecurity review is underway with two further reviews to be carried out. There has been a change in the timing of the first cybersecurity review which has now been carried out in term 1. The remaining reviews will take place in terms 2 and 3.

- Did we do an internal audit on procurement last year and are we doing the same again this year? *The 2021 audit looked at the core purchase ledger. For 2022 we will be looking at ways we procure outside the core purchase ledger. As we are trying to increase the use of college credit cards for low value purchases to reduce the purchase ledger, we would like the Audit Committee to have an oversight of this.*

The committee approved the report.

### 6.3 2021/22 Internal Audit timeline update

Yasmeen Mehmoud from TIAA presented the 2021/22 Internal Audit timeline update.

The committee approved the update.

### 6.4 Learner Number Systems – RSM report update

The Vice Principal for Funding, Planning and Systems Improvements presented the Learner Number Systems – RSM report update. The college is looking into solutions for capturing signatures for online enrolments.

- On a scale of 0-10 how concerned was the Vice Principal about the issue of obtaining signatures? *Around a five, as is a key requirement so we have reverted to obtaining wet signatures until a solution is in place. This has reduced concern to a 2-3. We aim to have the solution in place by February.*

The committee noted the report.

The Chair asked the External Auditors if there was anything that they wished to speak to external governors about privately, to which the reply was no. The External Auditors left the meeting.

## 7. Risk Management

### 7.1 High level Risk Register review and action plan review

The Finance Director presented the High level Risk Register review and action plan review. The financial risks relating to recruitment and pay are moving to yellow, and this is a focus for the year-long strategy review that is underway.

- Is risk 4.5 not similar to 4.3 and 4.2? *Interestingly after years of perceived risk in reliance on government funding, the pandemic has exposed increased risk in relying on commercial activity. There are risks with both so a mix of funding is important to maintain to minimise exposure to risk.*
- In the Line of Defence column, are we starting to look at the effectiveness of controls? *This will be looked at in the Jan-March term and the committee will be updated at the March meeting.*

Action	By whom	Deadline
Update the Audit Committee with the effectiveness of controls in place in the High Level Risk Register.	Finance Director	March Audit Committee meeting

The report was approved for recommendation to the Board.

### 7.2 Board Assessment of Fraud Risk

The Finance Director presented the Board Assessment of Fraud Risk. There have been no changes since last year.

The report was approved for recommendation to the Board.

The Internal Auditors left the meeting.

## 8. Annual Reports

### 8.1 Value for Money

The Finance Director presented the Value for Money report. The report has focused on financial KPIs and shows the college is achieving value for money for the public purse. The key focus for the next years' report will be linked to the strategy being developed and staff utilisation.

- The staff cost for our college turnover looks high. *Yes it is and this is a key focus of the strategy development work now underway.*
- Are planned HR efficiencies on hold? *Yes whilst we work through some of the Project Why work and we have had a new payroll manager start which will bring some efficiencies.*
- Is there value for money in Project Why itself? *Yes as it is re-engineering process and helping efficiencies in all areas of the organisation.*

The report was approved by the committee.

## 9. Update on use of college seal and high value contracts

The Finance Director presented the Update on use of college seal and high value contracts.

The committee notes the report.

## 10. Policies

### 10.1 Anti-Bribery Policy

The Finance Director presented the Anti-Bribery Policy which is due for review. Some minor amends have been made to wording with no substantive changes to the content of the policy. The committee approved the policy for recommendation to the Board.



### 10.2 Fraud Prevention Policy

The Finance Director presented the Anti-Bribery Policy which is due for review. Some minor amends have been made to wording with no substantive changes to the content of the policy. The committee approved the policy for recommendation to the Board.

### 10.3 Value for Money Policy

The Finance Director presented the Anti-Bribery Policy which is due for review. Some minor amends have been made to wording with no substantive changes to the content of the policy. The committee approved the policy for recommendation to the Board.

### 10.4 Data Protection Policy

The Vice Principal for Funding, Planning and Systems Improvements presented the Data Protection Policy. New definitions have been added to items 2.4 and 2.5 in the policy, and an update made that only significant data breaches would be reported. The committee approved the policy for recommendation to the Board.

## 11. Audit Committee Annual Report 2020-21

The Finance Director presented the Audit Committee Annual Report 2020-21. Item 9.1 has had wording reviewed and approved, and item 12.2 relates to last year's comment as is a biannual assessment so not carried out in 2021. The NRG Committee regularly consider compliance with the code of conduct.

Action	By whom	Deadline
Add to the report that the committee self-assessment has taken place.	Finance Director	December Board meeting
Item 5.2 in the Audit Committee Annual Report 2020-21 should be edited to read July 2021 not 2020	Finance Director	December Board meeting

- Do we need to mention that the period without a Clerk in this report as the report covers the previous academic year when a Clerk was in post. *No this does not need to be mentioned in this report but will need to be in the report for the current academic year.*

The committee approved the report for recommendation to the Board.

## 12. Committee Self-Assessment

The Chair thanked the Finance Director for completing the papers that would normally be produced by the Clerk. The Chair clarified that the Principal should be 'in attendance' at the Audit Committee and not on the agenda as a committee member.

The committee discussed and agreed that they would be a stronger committee with an accountant as a member. As there are still external governor positions vacant, the Chair will feed back to the Board Chair and the Chair of the NRG Committee.

Action	By whom	Deadline
Bring to attention of the Board Chair and NRG Chair that the Audit Committee would be keen to recruit an accountant as an external governor to join this committee.	Chair of Audit Committee	December Board meeting

## 13. Any Other Business

The committee discussed whether there is any need to consider a change of external and internal auditors as the same company has been in place for several years and their appointment is on an annual basis. The committee examined the auditors report and found it to be balanced and fair with an appropriate amount of challenge. The committee agreed that the auditors offer value for money and pragmatic advisory points.

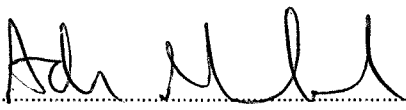
Action	By whom	Deadline
Bring to attention of the Board that the contract with the external and internal auditors is annual and so we could go to tender for a new auditor if we wish to.	Chair of Audit Committee	March Board meeting

**14. Future Business and Reflection**

The next Audit Committee meeting will be held on 7<sup>th</sup> March 2022.

The meeting ended at 2.15pm.

Approved for signature.....

Signature.....  


Date.....