

CORPORATION BOARD Audit Committee



Minutes of a meeting held online on Monday, 13 March 2023 at 12:15pm

Present

Adam Mumford (*Chair*)
Ben Haxton, *Governor*
Nicolas Pages, *Governor*
David Walker, *Governor*

In attendance

Amanda Blakey, *TIAA Client Manager (from 12:35pm)*
Jacqui Canton, *Principal & Chief Executive*
Penny Challans, *Head of Finance*
Olivier Cognard, *Vice Principal of Funding, Planning and Systems Improvement*
Mark Lay, *Finance Director*
Abi Kerr, *PA to the Principal (minutes)*

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

1. Opening Comments

1.1 Apologies and matters to be raised under AOB

There were no apologies to note. The Committee welcomed Ben Haxton to his first Audit Committee meeting. In the absence of a Clerk, notes were taken by Abi Kerr, for which the Committee expressed their gratitude. There were no new matters to be raised under Any Other Business.

1.2 Declarations of interest

No declarations of interest were voiced.

2. Internal and External Auditor Appointments

The Finance Director presented the report and highlighted the key points to note.

- Is the Charges Table publicly available? *Yes, but a year in arrears. The ESFA publish the figures as a benchmarking tool once a year, a year following year end.*

The Committee approved and recommended the report to Board.

3. Minutes of the meeting held on 23 November 2022

The Committee approved the minutes for signature.

4. Matters Arising, Written Resolutions & Action Points

Most matters arising had been completed with some due to be completed by the next meeting. No written resolutions had been circulated since the previous meeting.

The Committee noted the report and agreed with the deadlines listed.

Action	By Whom	Deadline
Work through outstanding actions in matters arising	Clerk	Next meeting

5. External Auditors

5.1 Performance Review of External Auditors

The Finance Director presented the report and highlighted the key points to note. It was reiterated, as outlined in item 2, that MHA's performance as the College's external auditor to date had been satisfactory.

- Is the RSM audit worked with regard to Learner Number Systems reviewed by MHA as part of the year end audit? *Yes, it is incorporated in their work.*

The Committee noted the report.

5.2 Change of Audit Partner

The Finance Director presented the report and highlighted the key points to note.

- Would Stuart McKay be replaced? Was he a director and partner? *Stuart was both a director and partner and would not be replaced as director. Independence would be retained.*

The Committee approved the appointment, and recommended that the Board authorise the Audit Engagement and Regularity Engagement letters.

Action	By Whom	Deadline
Ensure Board sign the Engagement letters	Finance Director	Immediate

6. Internal Audit matters

6.1 Learner Number Systems report

The Vice Principal of Funding, Planning & Systems Improvement presented the report and highlighted the key points to note.

- Please could clarification be provided regarding Off the Job training evidence for Apprenticeships? *Apprentices were required to complete tasks outside of their workplace environment which the College needed to record. Discrepancies in year were highlighted in routine report checks by the team and resolved.*
- Do we leave the discrepancies on the report or remove on completion? *It would be sensible to remove them unless they reappear due to RSM's new sampling highlighting outstanding concerns.*
- When will the electronic signatures project be fully completed? *The project was currently being trialled with the intention of finalising by the end of this academic year for full implementation from September 2023.*
- Were any issues foreseen with this project? *As the project was currently being trialled, issues were being resolved as they arose.*

The Committee noted the report.

6.2 Summary Internal Controls Assurance (SICA) report

TIAA presented the report and highlighted the key points and appendices to note. A more detailed follow up review of outstanding audit actions would be presented at the next meeting. Fewer audits than planned have so far been completed, in part due to the College's operational workload.

- Is the Subcontracting Audit mandatory? *Yes, but changes were expected in the future as the ESFA had queried the competency of external auditors to undertake year end certificate audits. In this instance, TIAA directors had made the decision to proceed as planned in the third quarter because of the lack of updated guidance.*
- In the Strategic Risks Audit, have TIAA recommended some smart objectives? *A set of Smart Objectives had been discussed with the College's previous TIAA contact. The College's underlying strategy KPIs would be used as the basis of the smart objectives.*

The Committee approved the report.

7. Risk Management and Use of College Seal

7.1 High level risk register review and action plan review

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The Finance Director presented the report and highlighted the key points to note. The register had been realigned with the College's strategic objectives. In time, this will also be aligned to link to the underlying strategies.

- What are the level 3 changes? It is proposed that a number of current level 3 qualifications are de-funded and replaced, in part, by *T Levels*. *The full extent of the changes proposed are not yet known..*
- Would the level be the same, or is it just a name change? *The qualification level would remain the same. However, a number of qualification streams had the potential to not have a T Level equivalent qualifications created. This could result in a high number of students not having an appropriate T Level or course to attend and significantly impact provision resource and enrolment figures. Level 2 reforms had been introduced following government acknowledgement that not all students could progress straight into a Level 3 qualification.*
- What is the frequency of review? *The register is a dynamic document formally reviewed at each Audit Committee and by the Board. There was also a College wide register which the Committee reviewed once a year.*
- Should the ONS reclassification be added as a high level risk? *Yes, we can add this.*

The Committee recommended the report to Board subject to inclusion of ONS reclassification as a high level risk.

Action	By Whom	Deadline
Include ONS reclassification in high level risk register	Finance Director	Board meeting
Outline grammatical errors in email to FD	Ben Haxton	Board meeting

7.2 Update on use of College seal & high value contracts

The Finance Director presented the report and highlighted the key points to note. It had been previously agreed for this matter to remain a standing item.

The Committee noted the report.

8. Policies

8.1 Whistleblowing Policy

The Finance Director presented the policy and summarised the key changes to note. It was advised that there was a typo under section 4.5 which was noted.

- How do we ensure consistency with review cycles when other policies listed within policy documents could be amended, introduced or updated in that time? *It could be reviewed how best to cross reference policies without specifically stating them in case of changes.*

The Committee approved the policy subject to the amending of the identified grammatical error.

Action	By Whom	Deadline
Amend typo in section 4.5 of Whistleblowing Policy	Finance Director	Board meeting

9. Any Other Business

There was no other business to discuss.

10. Future Business and Reflection


A Future Business cycle had been approved at a previous meeting for the remainder of the year. The plan remained as previously agreed as no changes had been suggested.

Action	By Whom	Deadline
Circulate Business cycle for the Committee's information	Principal	Next meeting

The next Audit Committee meeting was scheduled for Monday 12th June 2023 at 12:15pm.

The meeting closed at 1pm.

Approved for signature:

Signature 

Date ...12 June 2023