



## CORPORATION BOARD Audit Committee

Minutes of a meeting held online on Tuesday 11<sup>th</sup> June 2024 at 6pm-8pm

### **Present**

Nicolas Pages (Chair)  
David Walker  
Amanda Tilley

### **In attendance**

Mark Lay, *Finance Director*  
Olivier Cognard, *Vice Principal of Funding, Planning and Systems Improvement*  
Amanda Blakey, *TIAA Client Manager*  
Howard Stamp, *Clerk & Governance Advisor*  
Emma Boardman, *TIAA (Observing)*  
Stuart McKay, *MHA (left at end of item 4)*

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**

Apologies had been received from Ben Haxton and Penny Challans. There were no items to be raised under AOB.

### **1.2 Declarations of interest**

There were no declarations of interest.

## **2. Minutes of the meeting held on 11 March 2024**

The minutes of the previous meeting were approved as an accurate record of the meeting held on the 11 March 2024.

## **3. Matters Arising, Written Resolutions & Action Points**

There were no matters arising and no written resolutions had been circulated since the last meeting.

One query was raised under the action points of older actions to be completed. The clerk would circulate the detail of these actions to help inform the completion of these.

Two actions were completed at the meeting through verbal updates.

## **4. External Audit Matters**

### **4.1 Audit Planning Memorandum**

### **4.2 MHA Schedule of Musts 2024**

The Partner from MHA outlined the details contained within the paper to the committee. The audit approach and executive summary were presented, explaining the areas of risk to be assessed and the draft materiality for the 2023/24 academic year. The wider assurance work provided by MHA was also presented, including assurance on the Teachers' Pension, HTQ grant, and VAT advice. The draft audit scope and timetable were also presented to the committee.

Key audit risk areas for the sector were discussed alongside the approach to be used for Abingdon and Witney College to assess these risks. It was explained that there were no new regularity requirements.. The changes to concessionary loans were explained under the audit risk of financial reporting. College sector updates were included within the report and presented to the committee.

- **How long have you been involved in the audit for Abingdon and Witney?**
  - o *I have been the Audit Partner for two years and prior to that, the second Audit Partner for four years.*

The schedule of 'musts' was also presented to the committee as part of this item. There were no questions raised on the paper provided.

The committee thanked MHA for the helpful and clearly presented update.

The committee noted the report.

### 4.3 EAS Audit update

The Vice Principal of Funding, Planning, and Systems Improvement provided a verbal update to the committee on the current progress of the ESFA audit on the Earnings Adjustment Statement (EAS). The audit remains ongoing with slow progress from the ESFA. This is a new audit process for both the colleges and the ESFA, and therefore, the college is working closely with the ESFA to ensure a smooth process.

- **Have there been any issues so far?**
  - o *Nothing so far. Some of the queries have been about how we assess students for their support needs and how the college calculates its small class size requirements.*
- **Would there potentially be clawback if any items were found?**
  - o *Yes, that would be the outcome if any issues were identified. .*
- **Are the auditors aware of any other colleges being audited on this?**
  - o *Yes, we are aware of some other colleges also undergoing this audit, with similar feedback reported.*

Action	By Whom	Deadline
Summary of findings following the EAS Audit to be provided at the next Audit committee.	OC	November 2024

The committee noted the verbal update.

## 6. Internal Audit matters

### 6.1 Summary Internal Controls report

The college's internal auditors, TIAA, provided a detailed summary of their report. They highlighted some actions following the recent HR audit and explained further audits either underway or scheduled. The following key points were discussed:

- Two actions were raised and discussed from the HR review.
- There had been a change to the audit plan to remove subcontractor controls audit following changes from the ESFA.
- There were no outstanding priority one recommendations.
- There had been 13 priority two recommendations, with evidence submitted for two of them, which was awaiting review.

- Progress against the current audit plan was presented. The governance audit report was issued in October, and the HR report was issued in May. The audit of the Key Financial Controls is currently ongoing.
- **There are some dates that have been revised, but some are quite old. Are there any updates on these?**
  - *Yes, the Health and Safety and ICT management recommendations have been completed and need updating with TIAA.*
- **Regarding the risk assessment recommendation, has this now been picked up by the new Head of Health and Safety?**
  - *Yes, this has now been picked up by the new post holder.*
- **Is this a normal report for Abingdon & Witney? There are some older recommendations on the report; is this usual?**
  - *These are more related to changes in how evidence is provided to TIAA and ensuring the online system is kept updated on a timely basis. Some actions related to process improvement have also been in development but, unfortunately, are not yet at the top of the priority list.*

The committee approved the report.

### 6.1.1 Assurance Review of HR Management

The report on the recent HR management audit was presented to the committee, with the key strategic findings explained to the members. All the findings from the report are routine, with best practice suggestions provided to the college.

- **What is the expectation for the college regarding the action plan?**
  - These are best practice suggestions for the college. TIAA will not follow up on best practice suggestions.

The committee noted the report.

### 6.2 TIAA Internal Audit Plan for 24/25

TIAA presented the internal audit plan for the 2024/25 academic year, explaining it as a risk-based approach to support the college. The areas for review were detailed to the committee, including governance, strategic planning, cyber security, key financial controls, health and safety, and business continuity.

- **How do the number of days for next year compare with previous years?**
  - Typically, it has been 25 days. However, due to the lack of need for a subcontracting audit, this was removed along with the 3 days allocated to support it. These days are still contracted with TIAA and can be replaced with other audits if the committee or SMT chooses.
- **When you speak about budgetary control, does that include cash flow?**
  - Yes, cash flow is included within budgetary control.
- **On cyber security, does the college have insurance?**
  - Yes, we do.

The committee recommended the internal audit plan to the Board.

## **6.3 TIAA draft Risk Management Audit report**

### **6.3.1 Assurance Review of Mitigation Arrangements**

The Finance Director presented this as a draft report since it is still under management review and would not usually be brought to the committee at this stage. However, there are some helpful recommendations, and the committee's view was requested as to how the College should respond to some of the findings.

The value of the changes and the use of target risk scoring were discussed by the committee. The committee reflected that some changes would be positive but debated whether they would create the desired impact or simply focus on process changes. The committee discussed the current use of the risk register and whether more frequent reviews would support the college. Given that the college operates on a termly basis, monthly reviews might be challenging with little to update. Some risks continue as business as usual, while others have different timeframes. The risks around using RAG ratings were discussed, with members reflecting that while highlighting red and amber risks can be helpful, it might cause complacency for some green risks. Therefore, some of the suggestions could be beneficial.

It was discussed that if some of the changes were adopted, the Risk Policy would need to be updated. It was also noted it was important not to overcomplicate things for College management and staff who may not have the time capacity to monitor risks on such a regular basis..

- **Do you struggle to get buy-in for the risk register?**
  - o Not engagement as such, but time commitments. Managers are involved in their risks daily, but finding the time to formally update these more regularly can be a challenge.
  - o

The feedback was welcomed and will be provided back to SMT to review the recommendations during the summer.

The committee noted the report.

## **6.4 RSM audit work on Learner Number Systems**

### **6.4.1 RSM Further Education Funding Rule Compliance**

The Vice Principal of Funding, Planning, and Systems Improvement presented a summary of the report to the committee, explaining the audits carried out by RSM. RSM had conducted a mock ESFA funding assurance review. This mid-year audit allows time for actions to be completed before any external funding audits are carried out.

The red actions were brought to the committee's attention, particularly those related to off-the-job delivery within apprenticeship provision. The apprenticeship funding rules were explained as being the most complex set of funding rules.

- **What would be the risk should we not be able to rectify the actions?**
  - o Potentially, this could result in a clawback. However, we are confident we can resolve these actions, and there is ample time to do so.
- **Were there any surprises in this report?**

- No, these are the more challenging funding rules, and apprenticeships often present difficulties. The college is looking at more electronic means to support apprenticeship processes and ensure funding compliance.

The committee approved the report.

## **7. Risk Management**

### **7.1 College Wide Risk register**

The Finance Director presented a short paper, deferring the full update to the November meeting. This was discussed, and the committee recognised the conflicting priorities with the recent Ofsted meeting and agreed to receive the update in November.

The committee noted the report.

<b>Action</b>	<b>By Whom</b>	<b>Deadline</b>
College wide Risk Register to be added to the November meeting.	Clerk	November 2024

### **7.2 Review of high-level risk register**

The Finance Director presented the High-Level Risk Register. It was explained to the committee that there were no significant changes. The changes made, including those related to Ofsted, had been reduced.

The committee commented that it is positive to see the controls being reviewed and that it is good to see small changes, which provided assurance to the committee.

The committee recommended the report to the Board.

### **7.3 Update on use of College seal & high value contracts**

The Finance Director presented the report on the use of the college seal for the last period. The committee reviewed this report and acknowledged that there was nothing unexpected.

The committee noted the report.

## **8. Policies**

### **8.1 Subcontractor Fees and Charges Policy**

The Finance Director presented the policy to be approved as part of an annual review. There had been no significant changes made to the previous version, and it aligns with ESFA requirements.

The committee recommended this report to the Board.

## **9. Annual Reports**

### **9.1 Annual gifts and hospitality register**

The Finance Director presented the annual gift and hospitality register to the committee. The committee noted the small number of low-value gifts provided to staff. The Finance Director

advised the committee that there are termly reminders to staff, but due to the nature of the business, there are often very few gifts received, which is normal within the sector.

The committee approved the report.

**9.2 Annual Whistleblowing / public interest disclosure report**

The Finance Director presented a report containing zero instances of whistleblowing or public interest disclosures.

The committee noted the report.

**10. Future Business and Reflection**  
**10.1 Draft Cycle of business 2024-25**

The Clerk presented the draft cycle of business for the next academic year, noting no significant changes from this year. It was agreed that the November meeting would be held in person at Abingdon.

The committee approved the report.

**11. Any Other Business**

There were no items raised under AOB

The next Audit Committee meeting was scheduled for Thursday 28<sup>th</sup> November at 6pm in person at Abingdon.

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Signature ..*Nicolas Pages*.....



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