

CORPORATION BOARD Audit Committee



Minutes of a meeting held online on Monday 11th March at 6:00pm

Present

Nicolas Pages (Chair)
David Walker
Ben Haxton
Amanda Tilley

In attendance

Olivier Cognard, Vice Principal of Funding, Planning and Systems Improvement
Mark Lay, Finance Director
Penny Challans, Head of Finance
Amanda Blakey, TIAA Client Manager
Howard Stamp, Clerk & Governance Advisor

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

1. Opening Comments

The Chair extended a warm welcome to all attendees, particularly to Amanda who was joining their first meeting as a governor. The Chair acknowledged this was their first meeting as Chair and thanked the committee for their support.

1.1 Apologies and matters to be raised under AOB.

Apologies were received from Adam Mumford. There were items raised for AOB.

1.2 Declarations of interest

There were no declarations of interest raised.

2. Minutes of the meeting held on 23 November 2023

The minutes of the previous meeting held on the 23rd November 2023 were approved as a true and accurate record.

3. Matters Arising, Written Resolutions & Action Points

Two actions points from previous meetings were noted as still in progress. It was agreed the Clerk would send the extended detail of these actions to the owners to ensure these can move to completion.

There had been one written resolution circulated since the previous meeting; this was approved to elect Nicolas Pages as Chair of the committee.

| Action | By Whom | Deadline |
|--|---------|------------|
| Clerk to send the extended detail of these actions to the owners to ensure these can move to completion. | Clerk | April 2024 |

4. Policies for Approval

There were no policies due for approval at this meeting.

5.0 External Audit Matters

5.1 Performance review of external auditors and future KPIs

This report is a standard report presented to the committee on an annual basis. The Finance Director highlighted some key aspects within the report.

The performance review and future Key Performance Indicators (KPIs) for external auditors were discussed. Attendees expressed concerns regarding the efficiency of remote audit delivery, emphasising the importance of on-site presence for effective communication and understanding of organisational operations. Suggestions were made to enhance dialogue and streamline the audit process for improved efficiency.

- Are there any items that we could do better?
 - o *The remote audits at times felt difficult as a lot of it is left on trust, and we sometimes feel that with them being onsite we would be able to give a better indication of how we work as a team and how the organisation works in practice. It may help to collaborate more closely with them at Abingdon.*
- How many days are they usually onsite?
 - o *Just two days, the audit preparation work is helpful to complete online, but it may be easier to have them onsite for the completion of the meeting.*
- It is perceived to be the new way of audit. And seems to be the way audits are moving towards.
- Some audits do have a limited time for the scope, and sometimes it may ease the timescales by completing some remotely.

There was good discussion between governors, internal audit colleagues and SMT members about the onsite and remote audit processes, including discussion about different types of audits and how they may benefit with being on and off site, and the differences between internal and external audit processes.

- Do we know what the auditor's rotation policy is, in particular the audit directors and when they are due to rotate off?
 - o *We understand it is five years and therefore we expect to be due for a change shortly.*

| Action | By Whom | Deadline |
|---|---------|------------------|
| To check the period of rotation and provide a verbal update at the next meeting | ML | For next meeting |

The committee noted the report.

5.2 ESFA Audit of Excess Additional Support (EAS) audit

The Vice Principal of Funding, Planning, and Systems Improvement provided a verbal update on the ongoing ESFA audit of the EAS statement for the college. This process will be ongoing for the next couple of weeks. Questions were raised regarding the audit process and potential risks, leading to further clarification and discussion among attendees.

- Is there anything to be aware of?
 - o *No, this type of audit is rare and has not typically been conducted by the ESFA in the past.*

It was noted the college had not experienced this type of audit in the past, and there were no expected risks associated with it. A verbal update on the audit will be provided at the next audit committee meeting.

| Action | By Whom | Deadline |
|--------|---------|----------|
|--------|---------|----------|

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|---|----|------------------|
| To provide a verbal update at the next meeting on the EAS Audit | OC | For next meeting |
|---|----|------------------|

6. Internal Audit Matters

6.1 Summary Internal Controls Assurance Report (SICA)

The college's internal auditors, TIAA, provided a detailed summary of their report. They highlighted that one report had been completed to date and further audits either underway or scheduled. The following key points were discussed:

- The governance performance monitoring report has been completed.
- Work has commenced on the HR management audit starting from February 28th, with the draft report pending.
- The Key Financial Controls audit is organised, and an initial meeting has been undertaken, with necessary information to be shared.
- A meeting has been requested regarding the estates legislation and regulation audit.
- Arrangements are being made to undertake the risk management arrangements audit, followed by the subcontracting controls audit to be completed before the June committee meeting.

TIAA provided a positive update on the recommendation tracker, indicating that eight out of twenty priority two recommendations have been implemented. Two recommendations are pending implementation, and confirmed actions are in place following the current board cycle. A further three have revised dates for implementation, and the remaining are not yet due for implementation.

- I notice there were some comments around fraud risk, how big of a challenge is this for FE? *It is more really a case of we provide briefings on board risk. Within the FE sector fraud risk is not an area of particular focus. Areas such as Data protection and value for money are always identified more within in the sector. This is more to identify items you may wish to consider in the future, currently these are not high-risk areas for the FE sector.*

The committee thanked TIAA for the update on the internal audit matters.

The committee approved the report.

7. Risk Management and seal

7.1 High level risk register review and action plan review

The Finance Director provided an overview of the high-level risk register reviewed by the Senior Management Team (SMT) in February. The risks relating to financial strength have been reduced due to the college's strong financial health position and renegotiated contracts for electricity and gas. However, there are concerns about the pace of progress on decarbonisation efforts, leading to an increased risk in this area. No other significant changes were noted.

What factors are impeding progress on the decarbonisation plan?

- *It has been decided by the Senior Management Team (SMT) to engage sustainability consultants to assist in developing decarbonisation plans for the college and specific campus. However, there are significant challenges related to funding in these areas and a lack of direction from the government. We currently do not have any information of any potential government funding support.*

Is there any connection between this and the fact we have oil use at Common Leys?

- *The cost implications are relatively low, so it has not been considered a priority.*

The committee recommend the risk register to the board.

7.2 Update on use of college seal & high value contracts

The Finance Director reported that there have been minimal activities regarding the use of the college seal and high-value contracts since the previous meeting. The majority of such contracts are typically signed in the first few months of the financial or academic year.

Can you explain the signatures that are on the college seal documents?

- *The signatures belong to the outgoing Chair, Principal, and newly appointed Chair.*

What is the process on using the seal?

- *The only requirement we have is when others ask us to use the seal due to the type of organisation that we are. This is usually grant contracts with OxLEP or major buildings contracts. We do not currently request for it to be used; it is only if we are asked for it.*

The committee noted the report.

8. Any Other Business

Members discussed the scheduling of future meetings, considering preferences for timing, especially for online versus in-person meetings.

It was agreed to maintain the current meeting time for online sessions and to potentially adjust the timing for in-person meetings to better suit committee members' schedules.

9. Future Business

The Chair welcomed feedback on their role as chair, inviting constructive criticism to improve for future meetings.

Members expressed thanks and agreed to provide feedback as needed to enhance future meetings.

The next Audit Committee meeting was scheduled for Tuesday 11th June 2024 at 6pm

Approved for signature: 11/03/2024

Date 16/08/2024

Signature
N Pages
 16/Aug/2024 19:08:42
Nicolas Pages



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