## MEETING OF THE AUDIT COMMITTEE

**TIME/DATE 18th March 2021**

**VENUE remote by way of Microsoft teams due to Coronavirus pandemic.**

**PRESENT:**

Paul Christian Co-opted Member

Alison Cannon External Governor

Debbie Calderbank (Chair) External Governor

***John Heritage External Governor***

**IN ATTENDANCE**

Karen Musgrave RSM

Jonathan Creed ICCA

Lorna Lloyd-Williams Governance Director

Rav Garcha CFO

Simon Pierce Principal

**Italics denotes absence MINUTES**

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|  | **The meeting opened at 14.03 and the meeting was quorate with at least three Governors present the majority of whom were external Governors** |
|  | **APOLOGIES**  There were no apologies. |
|  | **DECLARATIONS OF INTEREST**  There were no declarations of interest. |
|  | **MINUTES OF THE MEETING HELD ON THE 26th November 2020**  The minutes of the meeting held on the 26th November 2020 were approved as a true and correct record and authorised for signature by the Committee Chair. |
|  | **MATTERS ARISING**  The Governance Director advised that the one matter which was an internal audit against the contingency plan in light of the pandemic, would be a matter for the next academic year.  **Confidential**  **This item was deemed to be confidential and therefore included in the confidential part of the minutes.** |
|  | **. INTERNAL AUDITS**   * Key financial controls * Estates and facilities management   Key financial controls  Mr Creed of ICCA advised that the audit was adequate in terms of application with a couple of recommendations, but that ICCA was able to give a substantial opinion. The committee were asked to note that all the work was done remotely so this did place some limitations on the audit work. The committee were advised that there were two medium priority recommendations:   1. Compliance testing of purchase order testing system. – in relation to more expensive items of expenditure in 12 out of 20 tests the College had been unable to provide evidence of quotations obtained. The recommendation was that the College must ensure budget holders are obtaining appropriate quotes and tenders and secondly use the functionality within the College finance system. 2. Re college credit card – in 10 out of 15 reviews there was no documentation to substantiate the transactions. Mr Creed advised that the management team were confident that this information was available and the recommendation was that cardholders provide evidence of the transactions and complete the transaction log. Mr Creed advised that he felt that if ICCA had been able to undertake the audit on site the error rate would have been lower.   Governors asked whether the testing needed to be completed once access was possible. Mr Creed advised the orders had gone through the appropriate authorisation control so he did not feel that this was necessary.  Estates  Mr Creed advised that the audit was adequate in terms of design and good in application. ICCA advised that they were able to give a reasonable assurance opinion. The recommendations were:   1. Condition survey: There was a difference between the two entities pre-merger and this review was not undertaken for St Helens. The committee were advised that as part of the estates strategy it would be sensible to renew the conditions survey for the entire estate. 2. Risk assessment: It was unclear what risk assessments there were as they are not stored centrally and the recommendation was that the College creates a single point in which all risk assessments are contained and that there is s system to flag when they need reviewing. It was noted that the Health and Safety consultants employed by the College would be looking at this. 3. Only outsourced contract is cleaning services and the committee were advised that there is nothing in place regarding obtaining end user views in relation to in house services.   Mr Creed updated the committee on the internal audit progress report. He advised that the plan would allow ICCA to give an internal audit opinion this year and that he felt that ICCA would be able to give an unmodified opinion at this time. Upon being asked, Mr Creed advised that currently ICCA were undertaking their report on teaching staff utlisation and gave details of the remaining audits. |
|  | **INTERNAL AUDIT RECOMMENDATION TRACKER**  The CFO advised the committee that since the last meeting the apprenticeships strategy had been completed and was going to SLT for discussion at the next meeting. He advised that R13 and R14 were the two recommendations from the finance audit and had already been actioned. In relation to the estates audit the committee were advised they were not yet due and therefore overall good progress had been made in relation to the recommendation tracker.  RSM were asked if they had anything to add and confirmed that they did not. |
|  | **RISK MANAGEMENT FRAMEWORK**  The committee received the risk management framework for final approval it having been considered as a draft first by the committee and then by the Board. It was  **Resolved** to approve the risk management framework.  Governors asked how this was embedded in the College. The CFO explained the work of the Risk Management Group and advised that the college now has in place local risk registers**.** |
|  | **RISK REGISTER**  The committee considered the risk register which had been reviewed and updated by the College’s Risk Management Group. Movements to the risk register were highlighted as follows:  **Increased Risk**  R3 increased from 12 to 16 reflecting the current pace of contract agreement with Local Authorities.  R4 increased from 12 to 20 due to the pandemic and the lockdown adversely affecting adult recruitment.  R7 increased from 12 to 16 and due to the impact of the pandemic on recruiting fee paying commercial customers.  R9 increased from 8 to 16 because class sizes have been reduced due to social distancing requirements and because recruitment is lower than planned.  R25 increased from 6 to 16 because of issues identified with regards to the College not being compliant with the requirements of the Public Equality Duty.  **Decreased Risk**  R2 is removed from the CRR as the risk is no longer prevalent.  R6 decreased from 16 to 8 reflecting good recruitment of HE students and improvement retention.  In relation to risk 25, the Governance Director advised that the annual equality and diversity report containing the equality objectives had gone to Quality and Outcomes Committee and once approved by the Board would be published on the website which would mean that the risk rating could be reduced.  **Action: Governance Director to notify the committee once Risk 25 has been decreased.** |
|  | **ANY OTHER BUSINESS**  There was no AOB. |
|  | **ANY MATTERS TO BE REFERRED TO ANOTHER COMMITTEE**  There were no matters to be referred to another committee. |
|  | **DATE OF NEXT MEETING**  **17TH June 2021 2pm** |
|  | **The meeting closed at 14.46** |