

## MEETING OF THE AUDIT COMMITTEE

TIME/DATE 16<sup>th</sup> September 2021

VENUE remote by way of Microsoft teams.

### PRESENT:

Paul Christian	Co-opted Member
Alison Cannon	External Governor
Debbie Calderbank (Chair)	External Governor
<b><i>John Heritage</i></b>	<b><i>External Governor</i></b>
Andrew Lang	External Governor

### IN ATTENDANCE

Karen Musgrave	RSM
Jonathan Creed	ICCA
Lorna Lloyd-Williams	Governance Director
Rav Garcha	CFO
Simon Pierce	Principal
Paul Woods	Director of MIS
Andrew Allen	Director of IT

**Italics denotes absence**

**DRAFT MINUTES**

The meeting started at 14.00 and was quorate.	
	<p><b>GOVERNOR TRAINING</b></p> <p>Mr Creed of ICCA provided an informative training presentation on the Audit Code of Practice and the role of the audit committee, highlighting the changes to the code of practice. Governors asked how any observations regarding committee improvement would be conveyed to the audit committee and were advised that this would be through discussion at the meeting.</p> <p><b>Action:</b> consider the items that ICCA talked about in the presentation in the audit committee annual report to the Board and the report should be circulated to committee in advance of papers going out.</p> <p><b>Governance Director</b></p> <p><b>Mr Woods and Mr Allen joined the meeting</b></p>
1.	<p><b>APOLOGIES</b></p> <p>Apologies were received and accepted from Mr Heritage who was absent due to work commitments.</p>
2.	<p><b>DECLARATIONS OF INTEREST</b></p>

	There were no declarations of interest.
<b>3.</b>	<p><b>MINUTES OF THE MEETING HELD ON THE 17<sup>th</sup> June 2021</b></p> <p>The minutes of the meeting were approved as a true and correct record of the meeting.</p>
<b>4</b>	<p><b>MATTERS ARISING</b></p> <p>The Governance Director advised that the audits would be sent to the respective committees for information purposes just before the forthcoming meetings.</p>
<b>5</b>	<p><b>OFS ILR audit</b></p> <p>The Director of MIS advised the committee that the purpose of the audit had been to gain assurance over the reporting of higher education students in the 2019-20 ILR, and to ensure the accuracy of the data submitted to the OfS and the ESFA for funding and other regulatory purposes.</p> <p>The outcome had been that there would be no claw-back of funding resulting from the audit findings; however, the College would be required to submit data amendments to address errors. A limited assurance opinion had been given but the classification had been on the borderline of 'limited assurance' / 'moderate assurance'. The committee were advised that the current expectation was that all necessary work would be completed by October 2021 and that 5 of the 7 recommendations had already been implemented.</p> <p>Governors questioned whether there was any risk of clawback and were given assurance that this was not the case.</p>
<b>8</b>	<p><b>RISK DEEP DIVE -CYBER SECURITY</b></p> <p><b>This item was elevated on the agenda.</b></p> <p>The Director of IT gave an informative presentation by way of a deep dive into risk regarding the cyber security risks contained in the colleges risk register. Governors were taken through the actions being taken by the college to mitigate some of the risks and taken through the risk score both before and after controls. The committee were also informed of the next steps that were to be taken regarding risk treatment measures.</p> <p>Governors commented that this is what the committee should be doing and expressed thanks. The committee felt that it had been extremely important and insightful to have such a deep dive and be given a greater understanding. Governors asked about the pen test results and whether they would be shared with the committee as they take place. Governors also asked about whether the college was moving to cloud based servers. It was confirmed that penetration data would be fed through to committee</p> <p><b>Action Head of IT</b></p> <p>The committee were advised that the college would be moving more to the cloud.</p>

	<p><b>15.16 Mr Allen and Mr Woods left the meeting</b></p>
<p><b>6</b></p>	<p><b>INTERNAL AUDITS</b></p> <ul style="list-style-type: none"> <li>• External Assurance of Sub-Contracting Controls</li> </ul> <p>The committee were advised that the college was fully complaint with all specific requirements laid out by the ESFA with regard to sub-contracting in the 2020/21 Funding Rules and Funding Agreement. Furthermore, that the college had completed a recommendation from a previous internal audit.</p> <ul style="list-style-type: none"> <li>• Follow up of Previous recommendations</li> </ul> <p>ICCA advised that they could provide the Audit Committee with Substantial Assurance that progress with implementing previously agreed internal audit recommendations had been timely and effective. The committee were advised there were no recommendations to carry forward.</p> <ul style="list-style-type: none"> <li>• Annual Internal Audit report</li> </ul> <p>The committee were advised that ICCA could give Reasonable Assurance that the College's governance, risk management, and systems of internal control were operating adequately and effectively, and that there were no instances where any breakdown of control resulted in a material discrepancy. Further that no significant control issues were identified in 2020/21 as a result of work undertaken. Mr Creed advised that this was the best opinion that the college could be given and was in essence a clean audit opinion. It was noted that auditors had been directed to the areas that the college wanted assurance on itself.</p> <p>Governors asked about recommendations and whether auditors would recommend the controls that should be in place. Mr Creed advised that they do give ideas as to solutions and management will determine whether to adopt those controls or alternative ones.</p>
<p><b>7</b></p>	<p><b>INTERNAL AUDIT RECOMMENDATION TRACKER</b></p> <p>The CFO updated the committee on movement of the recommendation tracker and it was noted that three recommendations remained outstanding which related to the estates audit. The CFO advised these would be completed this term.</p>
<p><b>9</b></p>	<p><b>RISK REGISTER</b></p> <p>The CFO advised the committee of risks that had both increased and decreased on the risk register. It was noted that the risk register would be further reviewed at the forthcoming meeting of the risk management committee on the 22<sup>nd</sup> of September. The CFO advised that the current risk the college is managing is 16-18 recruitment and retention and the committee might want to have a look at this.</p> <p><b>Action:</b> Deep dive on this area in March as to what measures are to be put in place to be effective regarding this.</p>

	<p><b>CFO &amp; Governance Director</b></p> <p>Governors also asked about succession planning and whether that should be another risk that the risk management committee might want to consider. The CFO advised that this would be considered at the RMC for possible elevation on to the corporate risk register.</p> <p><b>Action: CFO</b></p> <p>The committee noted the report.</p>
<b>10</b>	<p><b>FINANCIAL REGULATIONS</b></p> <p>The committee considered the financial regulations which had been updated in accordance with the annual review. It was</p> <p><b>Resolved</b> to recommend the financial regulations to the Governing Board for approval.</p>
<b>11</b>	<p><b>ANTI- FRAUD POLICY</b></p> <p>The committee were advised that the College's former policies, procedures and response plans with regards to fraud, bribery and corruption have been merged into one accessible policy and procedure. The threshold for reporting significant cases of fraud or irregularity to the funding bodies had been reduced from £25,000 to £10,000; consistent with the approved financial regulations. It was</p> <p><b>Resolved</b> to recommend the Anti-Fraud, Bribery and Corruption Policy and Procedure to the Board for approval.</p>
<b>12</b>	<p><b>GIFTS AND HOSPITALITY RETURN 20/21 AND REVIEW OF GIFTS AND HOSPITALITY POLICY</b></p> <p>The Governance Director advised that there had been no returns made under the gifts and hospitality policy except that the Principal had received some rugby tickets which had been raffled off to staff. The committee were advised there were no changes to the Gifts and Hospitality policy and it was</p> <p><b>Resolved</b> to recommend the gifts and hospitality policy to the Governing Board for approval.</p>
<b>13</b>	<p><b>ANNUAL REVIEW OF CONFIDENTIAL BUSINESS 20/21</b></p> <p>The committee considered the confidential items for the previous academic year and it was decided that they should remain confidential.</p>
<b>14</b>	<p><b>ANY OTHER BUSINESS</b></p> <p>Mr. Christian was thanked for his contribution to the committee as he would soon be leaving and other Governors were asked to consider if they had any contacts they could ask to consider applying to be a co-opted member.</p>

	Mr Lang asked about whistleblowing and the Governance Director advised that this was within the remit of the committee they would be notified of any whistleblowing claims and also annually review the policy. The Governance Director advised that any whistleblowing concerns would be raised with the committee chair in between meetings.
<b>15</b>	<b>ANY MATTERS TO BE REFERRED TO ANOTHER COMMITTEE</b> There were no matters to be referred to another committee.
<b>16</b>	<b>DATE OF NEXT MEETING</b> 24 <sup>th</sup> November 11-1, second hour joint with FR&C.
	<b>The meeting closed at 15.49</b>

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