

## MEETING OF THE AUDIT COMMITTEE

TIME/DATE 11.00AM Wednesday 24 November 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
Catherine Duro	Governance Director
Rav Garcha	CFO
Simon Pierce	Principal

**Italics denotes absence**

### MINUTES

The meeting started at 11.08 and was quorate.	
1.	<b>AUDIT COMMITTEE MEMBERS JOINED THE FRC MEETING TO JOINTLY RECEIVE THE FINANCIAL STATEMENTS &amp; LETTERS OF REPRESENTATION</b>
2.	<p>The External Audit Partner RSM presented their audit findings.</p> <p>The Committee were pleased to hear that there was nothing major to discuss and the audit process had ran smoothly with no problems.</p> <p>The Audit findings report was presented and the committee advised that a clear audit opinion was anticipated.</p> <p>The impact of pensions changes and accounting adjustments were explained but governors assured that there remained an underlying surplus.</p> <p>It was explained to governors that funding assurance was no longer provided by the funding body so a detailed audit of learner records had been necessary. RSM reported that there were no issues from the sample taken (of around 100 learners) and the MIS Team had been very co-operative. Some control points were noted for best practice but no risks. The final funding allowance was awaited from the ESFA at which point auditors would be in a position to conclude.</p> <p>The Committee was assured there were no issues with the journals where there was potential for human override, or error.</p> <p>Estimates and forecasts had been tested and there were no issues.</p> <p>Attention was brought to a potential adjustment that had been identified but agreed not to adjust as it did not breach materiality.</p>

	<p>The letters of representation were all reported as standard.</p> <p>Members gave thanks for a clear and concise report. They were pleased to hear the process had ran smoothly for both sides.</p> <p>The Accounts were received and reviewed.</p> <p>There was a lengthy debate around the level of detail and wording used in the presentation of risk. The Risk Register is a forward-looking internal document, where intent is articulated rather than reporting fact, but by including sections of the risk report in the financial accounts it could be read differently through the lens of an external reader of the published accounts which are meant to provide a statement of a prior period. It was agreed that wider disclosure and transparency was a positive step but that care was needed with language so as not to mislead an external audience.</p> <p>The wording of the risks in the accounts would be reviewed and tightened before presenting back to the full board. a couple of further typographical changes were also requested <b>(Action – RG)</b></p> <p><b>Resolved</b> that the accounts be recommended to the Board for sign off subject to the above changes being made.</p>
3.	<p><b>APOLOGIES</b> Apologies were received from John Heritage,</p>
4.	<p><b>DECLARATIONS OF INTEREST</b>  There were no declarations of interest.</p>
5.	<p><b>MINUTES OF THE MEETING HELD ON THE 16<sup>TH</sup> SEPTEMBER 2021</b>  The minutes of the meeting were approved as a true and correct record of the meeting.</p>
6	<p><b>MATTERS ARISING</b>  The Governance Director was asked to share internal audit reports with the relevant committees for triangulation. (Action)</p>
7	<p><b>INTERNAL AUDIT RECOMMENDATION TRACKER</b>  The Committee received the internal audit tracker. It was advised that the actions would be complete before the next meeting, including the circulation of an estates service level agreement and questionnaire.  Governors asked that target dates be timely and realistic. <b>(ACTION RG)</b></p>

8	<p><b>REGULARITY AND PROPRIETY QUESTIONNAIRE including ANNEX A</b></p> <p>The regularity questionnaire was taken as read. It was recognised as a standard item, refreshed for this year, with no issues presented.</p> <p><b>Resolved</b> that it be recommended to the Board for signing.</p>
9	<p><b>ANNUAL REPORT OF THE AUDIT COMMITTEE</b></p> <p>The report was received and agreed to be an accurate reflection of the year. The hard work on risk management was of particular note and the committee had found the deep dives to be beneficial.</p> <p><b>Resolved</b> that the report be recommended to the board for signing by the Chair.</p>
10	<p><b>RISK REGISTER</b></p> <p>The risk register was received and the significant changes explained. The committee had debated in detail the inclusion of staff moral as a risk, being quite intangible against the more measurable risk of low staff retention.</p> <p>The risk around the reduction in 16-18 funding was questioned. The Committee was assured this was being scrutinised in detail by the Finance Committee.</p> <p>The Committee agreed they would take a deep dive report on the funding risks at the next meeting (Action RG).</p> <p>A discussion followed on how the risk register could be further developed, perhaps with a target risk rating for each point, which would depend in-part on the level of control the college had to mitigate the risk. It was agreed this would be explored. <b>(Action RG)</b></p>
11	<p><b>COLLEGE EMERGENCY PLAN</b></p> <p>The Emergency Plan was received which is annually inspected and updated. The changes were explained.</p> <p><b>Resolved</b> that the plan be recommended to the board for signing by the Chair.</p>
12	<p><b>STATEMENT OF REPORTED INCIDENTS OF WHISTLEBLOWING AND FRAUD</b></p> <p>The Committee was informed that there were no incidents to report.</p> <p>The committee voiced concern about this, and if it was truly reassuring or if people needed more awareness and encouragement to speak up. Members agreed that it is good to hear issues so that improvements and remedial actions can be implemented.</p> <p>Management were asked to consider rebranding the policy and reviewing the reporting process to encourage more reporting, and to also consider the routes for student whistleblowing, perhaps testing if this is possible through the complaints process. <b>(Action GD)</b></p>

13	<b>WHISTLEBLOWING POLICY</b>  <b>Resolved</b> The unchanged whistleblowing policy was recommended to the board for approval to cover the immediate period, whilst the above action is completed.
14	<b>ANY OTHER BUSINESS</b>  Members requested that there be a review of the meeting calendar and times of day meetings are scheduled for, to seek more mutually convenient times. <b>(Action GD)</b>
15	<b>ANY MATTERS TO BE REFERRED TO ANOTHER COMMITTEE</b>  There were no matters to be referred to another committee.
16	<b>DATE OF NEXT MEETING - 3rd March 2022</b>
	<b>The meeting closed at 12.37</b>

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