

**Minutes of a Meeting of the Audit Committee held  
Wednesday 17 June 2020 via Zoom Conference Call**

**Present** Mr J Bryant (Chair)  
Mrs C Ajit Singh  
Mr R Gallagher

**Also present** Mr M Cooper  
Ms T Aust  
Mr C Harris (MacIntyre Hudson)  
Mr J Allen (Clerk)  
Mr A Barke - Observing the meeting before governor  
appointment

The meeting commenced at 1600.

**WELCOME, APOLOGIES, & DECLARATION OF INTERESTS**

1. The Chair welcomed everyone to the meeting. There were no apologies. There were no declared interests against any of the agenda items. It was confirmed that the meeting was quorate.
2. The Clerk confirmed Mr A Barke was attending the meeting as an observer prior to his governor appointment.

**MINUTES**

3. The minutes of the meeting held 21 November 2019 were confirmed and approved as a correct record of the meeting. (Paper 1)
4. It was noted that the March 2020 meeting of the Committee was cancelled due to COVID-19 and the resulting College closure. Agenda items from that meeting are being dealt with at this meeting.

**SUMMARY ACTION LIST & MATTERS ARISING**

5. The '*Summary Action List*' was received (Paper 2). The following updates were noted against the two action points arising from the November meeting:

MIN REF	DETAILS OF RESOLUTION/ACTION POINT	COMMENTARY UPDATE MADE AVAILABLE
42	The Committee <b>AGREED</b> to add a section in the Annual Report from the Audit Committee covering notification to the Committee of any whistleblowing allegations, and to make available a table summarising the outcomes of the reviews conducted by committees on those risks from the Risk Register that fall within the scope of the Committee.	This will be actioned and completed at the November meeting when it is scheduled to receive the annual report from the Audit Committee.

50	The Executive are considering a tendering exercise for both audit services and a further update on this will be made available at the next meeting	<p>It was confirmed that a tendering exercise will be conducted during the next academic year to ensure appointments are in place from 01 August 2021.</p> <p>Further updates to be made available.</p>
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6. There were no matters arising from the minutes.

### OUTSTANDING AUDIT RECOMMENDATIONS

7. The report on progress made in the implementation of outstanding internal audit recommendations was received (Paper 3).

8. The report provided an update on the four outstanding recommendations from the November meeting together with nine recommendations arising from the 2019-20 internal audits of 'Treasury and Investment Management', 'Bursary Funding' and Fraud Prevention and Detection Arrangements – Remote Working and Payment Authorisation Controls' undertaken by MacIntyre Hudson in February and May/June that are agenda items at this meeting.

9. Of the 13 audit recommendations, seven were ranked medium priority and six were ranked low priority.

10. The report confirmed 6 of the 13 recommendations have been fully implemented, 2 have been partially implemented and are work in progress, and 5 have yet to be implemented.

11. Following review by the Committee there were no issues of concern on the implementation of outstanding audit recommendations.

12. It was **RESOLVED** to note the report.

### INTERNAL AUDIT REPORTS

13. Four reports were made available from the internal audit service, these being:

- Treasury & Investment Management (Paper 4a)
- Bursary Funding (Paper 4b)
- Insurance Arrangements (Paper 4c)
- Fraud Prevention and Detection – Remote Working and Payment Authorisation Controls (Paper 4d)

14. The Committee noted the following headline summaries and audit opinions for each of the reports:

Audit	Opinion	Recommendations
Treasury & Investment Management	Adequate Assurance	2 Medium 1 Low

Bursary Funding	Adequate Assurance	2 Medium 1 Low
Insurance Arrangements	Substantial Assurance	None
Fraud Prevention and Detection – Remote Working and Payment Authorisation Controls	Adequate Assurance	1 Medium 2 Low

15. The review of treasury & investment management made the recommendation for a review of the College’s Financial Regulations to be undertaken and, in line with the Committee’s terms of reference, for the Finance, Resources and Capital Projects Committee to review the updated Financial Regulations. The aim is for the review to be conducted at the spring 2021 meeting of the finance committee.

16. The audit of fraud prevention was undertaken during the early stages of the Covid-19 pandemic and college closure, and the report made the observation that the College had at that stage not undertaken an additional, full risk assessment in the light of whole College closure due to the pandemic. Assurances were given to the Committee that at the outset of the College closure the Executive had undertaken ad hoc arrangements and acted promptly and quickly to ensure that staff could work remotely and that students could continue learning and receiving support through on-line arrangements that were put in place. Since the audit visit an immense amount of work has been undertaken with risk assessments conducted and supported with a range of operational plans. The partial re-opening of the College from 15 June has been thoroughly risk assessed with reviews taking place each day on the arrangements that have been put in place to ensure the safety and well being of both staff and students.

17. The Executive accepted the observation made in the report that there is no formal guidance provided to the finance staff on how to behave and act to the new challenges and threats the business might face given the impact of remote working due to whole College closure. It was confirmed the Executive will incorporate in their advice to staff any recommended actions suggested from relevant bodies e.g. Action Fraud, Banks and CIMA.

18. The Principal reaffirmed the need to separate the recommendations made on the risk of fraud arising from the new working conditions and the recommendation on the need for a full risk assessment to be undertaken. Whilst action is required on the risks identified around potential fraud, there has been a significant amount of work done on completing risk assessments and operational plans covering the College closure, the partial re-opening of the College from 15 June, and, hopefully, the full re-opening from September. A further update on Covid-19 is a later agenda item.

#### **INTERNAL AUDIT PLAN 2020-21**

19. The College report ‘*Internal Audit Plan 2020-21*’ was received (Paper 5) The Committee was asked through discussion to consider the Executive Team’s initial plans for internal audit services and possible audit areas to be covered in visits in 2020-21

20. With reference to the Board Assurance Framework and the Strategic Risk Register, the Executive Team has considered the College risk environment and assurance needs, and arising from the review, identified the following areas for internal audit coverage in 2020-21.

### **Board Assurance and Management**

Governance and Reporting (including KPI data)  
Health and Safety

### **Improving Data Quality & Curriculum**

ILR and Funding Audit  
Continued preparation for Ofsted inspection drawing on external support

### **Financial Viability**

Financial Planning and Budgetary Control

### **Follow-up of Previous Audit Recommendations**

In addition to the above, it is proposed to undertake a follow-up of previous audit recommendations to provide independent assurance to the Committee that these have been implemented in line with planned timeframes.

21. In liaison with MacIntyre Hudson, the list of proposed audit areas will be refined and agreed over the summer with final confirmation of the Internal Audit Plan to be agreed at the November Audit Committee meeting.

22. It was **RESOLVED** to note the report.

### **FINANCIAL STATEMENT & REGULARITY AUDIT**

23. The Financial Statement & Regularity Audit Plan prepared by Buzzacott was received (Paper 6). The report outlined the audit areas and the following proposed fee structure for the audit of year-end accounts 31 July 2020. It was confirmed the areas covered were in line with the requirements of the Funding Agency.

24. It was **RESOLVED** to approve the Financial Statement & Regularity Audit Plan for the year-end accounts 31 July 2020.

### **STRATEGIC RISK REGISTER**

25. The '*Strategic Risk Register*' was received (Paper 7). It was confirmed there were no current items associated specifically with the Audit Committee.

26. No risks have been deleted since the last committee meeting.

27. The Clerk reported the Finance Committee and Quality Committee, at their respective meetings this term, conducted a review of the high risks that fall within their terms of reference. Both Committees were satisfied with the robustness of the proposed mitigation actions to reduce the risk and of the sources of 'independent assurances'. No new risks were identified by either committee.

28. Risk #52 relating to COVID-19 was added to the register in February 2020 but the scale and complexity of this has escalated dramatically since then.

29. The Executive Team have since developed a risk management framework specifically for COVID-19 that covers both:

- a) operational risks associated with, for example, remote working through whole College closure and risks associated with reopening the College for face to face provision for students; and
- b) broader strategic risks (and opportunities) including financial and curriculum implications associated with economic recovery, local and partnership needs

30. The risk framework can be broken down into high-level strategic risks and operational risk covering areas such as:

- Staffing
- Students
- Estates
- Communications

31. The framework has been subject to on-going internal review and will be presented to the Corporation at its meeting in July. The framework is in two phases - Phase I covered the partial re-opening of the College and Phase II covering the full re-opening.

32. The Principal provided the Committee with an update on the plans that have been put in place for the partial re-opening of the College from 15 June. The expectation from DfE/ESFA is that every educational setting will have a plan to re-open which works for their students, staff and unique circumstances. In accordance with this, the College opened on a phased return basis from 15 June for the following limited areas:

- EHCP/LAC – primarily individuals with low levels of engagement
- Students that have “lost learning” and need practical assessments in order to complete their license to practice. Primarily in 2 areas: Creative Industries and Trade Skills
- Level 3 Year 1 - target setting/review/planning for next year e.g. UCAS, Work Experience

33. Further phased opening may well take place or be deferred until the start of the new academic year 2020-21 or when it is safe to do so.

34. As discussed earlier in the meeting, the College has had to accommodate various changes in how it operates in response to the on-going threat of the virus in order to create a COVID-19 secure workplace. To this end operational plans and risk assessments have been made available. Staff and trade unions have been positive on the workings of the new arrangements.

35. In Phase II the expectation is for the need to continue with social distancing.

36. The risks on economic recovery, especially on the local community, also presents potential opportunities for the College. The Principal outlined her

membership of local groups that aim to address the economic needs of the local community. Her membership ensures the College will be able to best position itself to be a key deliverer of required skills development and training.

37. The Chair welcomed the update given on the preparations made by the College in response to the Covid-19 pandemic.

38. It was **RESOLVED** to note Strategic Risk Register.

39. The Clerk informed the meeting that the Chair has requested for the Strategic Risk Register to be an agenda item at all meetings of the Corporation to enable the Governing Body to carry out a strategic oversight of the register.

#### **ANY OTHER BUSINESS**

40. There was no other business.

#### **DATE OF NEXT MEETING**

41. Dates to be confirmed at the July Corporation meeting.

The meeting closed at 17.30

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
(Chair)

#### **SUMMARY ACTION LIST**

<b>Min</b>	<b>Action Point</b>	<b>Review Date</b>
5	To add a section in the Annual Report from the Audit Committee covering notification to the Committee of any whistleblowing allegations, and to make available a table summarising the outcomes of the reviews conducted by committees on those risks from the Risk Register that fall within the scope of the Committee	Autumn meeting
5	Audit Services ~Tendering	2020-21
15	For a review of the College's Financial Regulations to be undertaken and, in line with the Committee's terms of reference, for the Finance, Resources and Capital Projects Committee to review the updated Financial Regulations. The aim is for the review to be conducted at the spring 2021 meeting of the finance committee.	Spring term Finance Committee
21	Internal Audit Plan 2020/21 - to receive for approval	Autumn meeting