

## Meeting of the Audit Committee

<b>Date:</b>	28 September 2021	<b>Room number</b>	Boardroom
<b>Present</b>	Mark Bass (Chair), Bal Panesar (BP) via Teams, Bim Osunsami (BM)		
<b>In attendance</b>	Graham Hough (Chief Finance Officer) (CFO) Maxine Deslandes (Director of Finance & Estates) (DOFE) Victoria Eastwood (Chief Governance Officer) (CGO) Bharat Rathod (Head of CIS) (BR) – Agenda Item 4 only Richard Roberts (Head of Apprenticeships) (RR) – Agenda Item 4 only		
<b>Via Teams</b>	Paul Goddard (Scrutton Bland) (PG) Emma Gipson (RSM) (EG)		
<b>Apologies</b>	Nick Kavanagh		
<b>Circulation</b>	Audit Committee/Corporation		

<b>1.</b>	<b>Welcome and apologies for absence</b> The Chair welcomed all present to the meeting and introductions were made. Apologies for absence were received from Nick Kavanagh.				
<b>2.</b>	<b>Declarations of Interest</b> Governors were reminded of their responsibility to declare an interest in relation to specific items on the Agenda if appropriate. Bim Osunsami, Bal Panesar and Mark Bass declared an interest in Agenda Item 5.				
<b>3.</b>	<b>Minutes of the Previous Meeting – Monday 21 June 2021</b> The Minutes of the Meeting held on Monday 21 June 2021 were agreed as a true and accurate record.  <b>Approved: That the Minutes of the Meeting held on Monday 21 June 2021 were agreed as a true and accurate record.</b>				
<b>4.</b>	<b>Matters arising</b> Outstanding actions from the June Audit Committee Meeting:				
	<b>Agenda Item</b>	<b>Action</b>	<b>Responsibility</b>	<b>Timescale</b>	<b>Update</b>
	7.	Learner Numbers - Update on progress against recommendations to be presented at the first Audit Committee meeting of the academic year with evidence and documentation as appropriate.	DOFE/CGO	October 2021	To be discussed at the September meeting.
	9.	Signed examples of contracts from the sample to be provided as evidence at the next Audit Committee meeting.	DOFE	October 2021	To be provided at the November meeting.
	10.	Update on the position from the ESFA to be provided as	ME	ASAP	To be provided when available.

soon as it is received by the External Auditors.

### **Learner Numbers Audit – Update on progress against recommendations**

Bharat Rathod (BR), Head of CIS, clarified the following points:

- 16-18 – requirement to submit ILR as at 1 November 2021– all actions committed to monthly checks including condition of funding.
- Closing planned hours – there were a number of learners who started late and therefore planned hours were updated when the learners enrolled.
- Withdrawal dates – when learners withdrew this date must be matched with the last date of attendance. Date to be matched on a monthly basis.
- Planned work experience – new system purchased which will record industry placement alongside E-tracker system. It was noted that not all work experience would be planned at the same time.
- Apprentice commitment statement and apprenticeship agreement– revised process mapping and training, revised commitment statement, process in place to ensure learners were put on ILR when the evidence was received instead of recording the learner and then chasing the required evidence.

Richard Roberts (RR), Head of Apprenticeships, reported that essential paperwork was in place before September enrolments commenced. The College had purchased a licence for a system (Signable) that provided an audit trail of when the document was opened and signed.

**Action: It was agreed that an example of the system would be made available at the next meeting.**

RR updated the Committee on the following progress:

- Skills scans – updated and aligned to new apprenticeship standards. These were now all in place and had been shared with the previous Internal Auditors, RSM, as evidence.
- Consistency of the ILR – actions were in place and would be reviewed on a monthly basis. It was therefore not possible to confirm that the action has been completely signed off as the actions had only commenced in September but the review would have taken place by November 2021.
- PDSAT reports – process mapping fully completed but impact of training needed to be measured through the PDSAT reports. This would be reviewed monthly.
- Off the job application form revised and approved by RSM –the opportunity for human error had been minimised.

The Chair queried that as the next meeting was scheduled for the 23rd November would the evidence be available to close the recommendations at that meeting or should the meeting be delayed. It was agreed that evidence would be tabled at the meeting. RR added that the evidence was all in place and at the next meeting would be able to confirm that the controls were working.

The Chair referred to the ESFA letter to Accounting Officers highlighting the increased profile of the integrity of the ILR. It was noted that the use of PDSAT was the preferred way of tracking.

The Chair thanked BR and RR for the report and noted that it was pleasing to see the progress made. The Chair advised that there were two new Governors on the Committee therefore a lot of the acronyms within the reports were unknown. This was noted going forward.

The Chair reported that one of the common themes within the feedback from the Board Development Event was that papers needed to be received at least five working days before meetings and preferably at least two weekends before in order for Governors to be able to make informed decisions.

**Action: all evidence to enable recommendations to be closed to be tabled at the November Audit Committee meeting.**

*BR and RR left the meeting.*

	<p>There were no further matters arising.</p>
5.	<p><b>Appointment of Chair and Vice-Chair of the Committee</b>  The Chief Governance Officer (CGO) recorded her thanks to the previous Chair of the Committee, Mark Bass for his contribution and commitment to the Committee.</p> <p>The Committee were informed that Bim Osunsami had agreed to Chair the Committee for the 2021/22 academic year and Bal Panesar had agreed to act as Vice-Chair. This was unanimously approved. Thanks were recorded to Bim Osunsami for agreeing to take on the role.</p> <p>It was noted that as this was an additional meeting to finalise the position for 2020/21 before handing over for 2021/22 and to ensure consistency regarding the learner number audit, the previous Chair had co-chaired this meeting.</p> <p><b>Approved: That Bim Osunsami be appointed as Chair of the Audit Committee and Bal Panesar be appointed as Vice-Chair of the Audit Committee for the 2021/22 academic year.</b></p>
6.	<p><b>Matters requiring College staff to withdraw</b>  There were no matters requiring College staff to withdraw.</p>
7.	<p><b>Committee Schedule of Business 2021-22 and Review of Committee Terms of Reference</b>  The CGO presented the schedule of business and Terms of Reference for 2021/22 for approval. The Committee were advised that the schedule contained all statutory requirements but would be subject to additional items as appropriate. The Terms of Reference remained largely unchanged from the previous year but had been updated to reflect the revised wording within the Audit Code of Practice.</p> <p>It was noted that the date for subcontracting referred to in the schedule of business needed to be amended to 2021.</p> <p>Paul Goddard (PG), Scrutton Bland, queried why the risk register was not referenced in the Terms of Reference. The CGO advised the that Terms of Reference were based on the recommendations from the Audit Code of Practice and risk was included but not explicit. It was agreed that this would be considered further.</p> <p><i>Post meeting note: an explicit reference to the review and monitoring of the risk register and action plan and the review of risk management was included in the Terms of Reference.</i></p> <p><b>Approved: The Committee Schedule of Business and Terms of Reference were approved for future use – subject to ratification by the Corporation.</b></p>
8.	<p><b>RSM Annual Report and Disengagement Letter</b>  Emma Gipson (EG), RSM, advised that the report provided an adequate opinion and discussion took place on the summary and management actions within Appendix B. It was noted that the disengagement letter had been included for reference only.</p> <p>EG recorded her thanks to members of the Committee and the management, adding that she had enjoyed working with the College. The Chair thanked EG and the team at RSM for their work and support and it was noted that the parting of the business relationship was on good terms.</p> <p><b>Agreed: That the position be noted.</b></p>

9.

**Internal Audit Plan 2021-22**

PG reported that the plan had been shaped by the College Executive Team but this was the draft plan for the Audit Committee to be fully comfortable with. The Committee were directed to Section 2 of the report highlighting what was required of the Audit Committee and it was noted that the External Auditors were currently looking at the subcontracting assurance. Discussion took place on the top risks which had been mapped against prior internal audit coverage and assurances.

Bal Panesar stated that it would be preferable for the emphasis to be on areas not previously given substantial assurance with more allocation of effort towards cyber security and IT. The Chief Finance Officer (CFO) replied that the JISC audit had recently been completed resulting in the implementation of additional levels of security (multi form identification) alongside other recommendations. Once all recommendations had been implemented an internal audit would take place to confirm implementation. IT would therefore feature on the internal audit plan for 2022/23. The JISC report would be presented at the November Audit Committee meeting.

BP questioned whether an audit on risk management and key financial controls was required as substantial assurance had been received in these areas. The CFO advised that the College was applying for OfS accreditation which required an audit of risk management and governance. The Director of Finance & Estates (DOFE) added that these areas were part of the cycle and procurement would be the next area. The Chair stated that there had previously been discrepancies in purchasing systems through the external audit therefore it was worth this area taking its turn.

Bim Osunsami (BO) asked how IT could be captured at a high level and be followed up so it was not too late next year to address any issues. The DOFE replied that there were a number of recommendations from the IT audit which would be followed up by the Internal Auditors in 2021 to ensure they were completed and evidenced. Recommendations from the JISC report would also be presented to the Committee and the Head of IT would attend the meetings to discuss findings.

BP advised that there was presently a lot of emphasis on safeguarding and it would be beneficial to cover this area if the resource was available. The DOFE replied that safeguarding had been looked at previously but prior to the pandemic the College had been due for an Ofsted inspection and this was likely to take place in the near future. The CFO suggested that specialists in safeguarding may be required to undertake an audit to ensure the College received the level of assurance required of Ofsted.

BO queried whether the plan had been reconciled to the priorities for Ofsted. The DOFE replied that apprenticeships, recruitment, employer engagement and high needs had been included which aligned to the key priorities.

The Chair thanked PG for the plan and the Internal Audit Plan 2021/22 was approved by the Committee. An external review of Safeguarding would also take place.

**Agreed: That Internal Audit Plan 2021-22 be approved.**

10.

**Board Assurance Framework**

PG explained the basis of the Board Assurance Framework advising that this would incorporate risk management training. Discussions would be required with the CFO to be able to pilot the top risks.

The Chair stated that the requirement was to commence the framework in 2021/22 and build it to meet the needs of management, Audit and the Board. It was agreed that PG would attend the November Strategic Planning Event to present this to the Board.

**Agreed: That the current position be noted.**

**Action: PG to attend the Strategic Planning Event to present the Board Assurance Framework to the Board.**

11.	<p><b>ESFA letter to College Accounting Officers – September 2021</b></p> <p>The Chair presented the letter to the Committee advising that this reiterated a lot of the points the Committee had been working on. Key points discussed included:</p> <ul style="list-style-type: none"> <li>• Transparency of conflicts – proof of independence</li> <li>• Audit Committees</li> <li>• Personal qualities – instincts to ask the right questions</li> <li>• Roll of the Governance Professional and the expansion of that role – learning and development support</li> <li>• Change of Auditors – 3 or 4 year cycle</li> <li>• OFS disclosures and accounting</li> <li>• CFO training programme</li> </ul> <p>It was noted that the letter would also be presented to the Corporation at the October meeting.</p> <p><b>Agreed: That the current position be noted.</b></p>
12.	<p><b>AoB</b></p> <p>The Chair advised that this would be the last official meeting for the DOFE and recorded his thanks to Maxine for all her effort and hard work.</p>
13.	<p><b>Matters requiring Auditors to withdraw</b></p> <p>There were no matters requiring Auditors to withdraw.</p>
14.	<p><b>Date and time of next meeting – Tuesday 23 November 2021, 4pm, Boardroom</b></p>

The Chair thanked all those in attendance for their contributions. The meeting closed at 17.06pm.

Agenda Item	Action	Responsibility	Timescale	Update
C/f	Signed examples of contracts from the sample to be provided as evidence at the next Audit Committee meeting.	DOFE	23 November 2021	
4.	All evidence to enable recommendations to be closed to be tabled at the November Audit Committee meeting.	BR/RR	23 November 2021	
10.	PG to attend the Strategic Planning Event to present the Board Assurance Framework to the Board.	PG/CGO	1 November 2021	

Signed.....  
Mark Bass (Chair)

Date.....

