

## Additional Meeting of the Audit Committee

<b>Date:</b>	6 October 2023	<b>Room number</b>	Via Teams
<b>Present</b>	Bal Panesar (Vice-Chair), Nick Kavanagh (NK)		
<b>In attendance</b>	Victoria Eastwood (Chief Governance Officer) (CGO) Leisyen Cox (Scrutton Bland) (LC) Steve Dowbiggin (Interim Principal/CEO) (invited to attend by the Committee) Wijay Pitumpe (Interim Deputy Principal – Finance & Resources) (IDPFR)		
<b>Apologies</b>	Bim Osunsami, Paul Goddard (Scrutton Bland), Mark Eagle (MacIntyre Hudson)		
<b>Circulation</b>	Audit Committee/Corporation		

<b>1.</b>	<p><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 Bim Osunsami, Paul Goddard and Mark Eagle.</p>													
<b>2.</b>	<p><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. None were declared.</p>													
<b>3.</b>	<p><b>Annual Appointment of Committee Chair and Vice-Chair</b> In the absence of the current Committee Chair, it was agreed that this agenda item would be deferred to the November meeting.</p> <p><b>Action: Annual Appointment of Committee Chair and Vice-Chair to be deferred to the November Meeting.</b></p>													
<b>4.</b>	<p><b>Minutes of the Previous Meeting – 26 June 2023</b> The Minutes of the Meeting held on 26 June 2023 were agreed as a true and accurate record.</p> <p><b>Approved: That the Minutes of the Meeting held on 26 June 2023 be agreed as a true and accurate record.</b></p>													
<b>5.</b>	<p><b>Matters arising</b> Outstanding actions from the June Audit Committee Meeting:</p> <table border="1"> <thead> <tr> <th>Agenda Item</th> <th>Action</th> <th>Responsibility</th> <th>Timescale</th> <th>Update</th> </tr> </thead> <tbody> <tr> <td><b>Deferred</b></td> <td>Update on completion of recommendations to be provided to the Committee in advance of the March Corporation meeting – to include percentages where the recommendation has not been fully completed and proposed timelines for completion.</td> <td>CPTO</td> <td>24/03/23</td> <td>Review of 2022/23 recommendations taking place and report to be presented to November Committee.</td> </tr> </tbody> </table>				Agenda Item	Action	Responsibility	Timescale	Update	<b>Deferred</b>	Update on completion of recommendations to be provided to the Committee in advance of the March Corporation meeting – to include percentages where the recommendation has not been fully completed and proposed timelines for completion.	CPTO	24/03/23	Review of 2022/23 recommendations taking place and report to be presented to November Committee.
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7.	<b>Student Destinations</b> Information for future student destinations audits to be captured by differentiation.	Internal Auditors	2023/24 audits	Agreed completed -
7.	<b>Student Destinations</b> CGO to send amended titles of responsible managers to PG to update report.	CGO	ASAP	Complete
7.	<b>Payroll</b> A progress update on actions be presented at the July Board Meeting as part of the Audit Committee update.	CGO	10 July 2023	Complete
7.	<b>Payroll</b> Progress between now and the next meeting also to be made available and a further updated plan to be presented at the first meeting of the academic year.	CGO	August/ September 2023	Complete
7.	<b>Funding Assurance</b> Funding table to be updated to reflect accurate figures.	IDPFR/PG	ASAP	Complete
7.	<b>Learner Recruitment &amp; Marketing</b> Current Marketing Plan to be emailed to the Committee.	CGO	ASAP	In progress and will be presented to the Board
7.	Member of staff responsible for specific medium and high risk areas to be requested to attend the meetings going forward.	CGO	September 2023	Complete – noted for future meetings.
8.	The scope for budgetary controls to be extended to include permanent staff and agency staff utilisation.	PG	September 2023	Agreed complete -
8.	Updated Risk Register to be completed by the end of July 2023 and emailed to the Committee.	IDPFR	July 2023	Complete

8.	The Internal Audit Plan 2023/24 to be revisited at the September meeting once the updated risk register had been finalised in order to prioritise the audits.	PG/CGO	September 2023	Complete included Agenda	– on
12.	Whistleblowing update to be provided at the September Audit Committee meeting.	CGO	September 2023	Complete included agenda	– on

In response to a query from the Chair, the Chief Governance Officer (CGO) confirmed that Health & Safety was included in the 2023/24 internal audit schedule. The Interim Principal/CEO added that the College was liaising with the Internal Auditors to ensure best practice in this area.

**6. Matters requiring College staff to withdraw**  
There were no matters requiring College staff to withdraw.

**7. College Internal Audit Process**  
The Interim Principal/CEO reported that a productive meeting had taken place with the Internal Auditors which had highlighted points in some areas which the College could improve and address but in one or two areas it was agreed that more fundamental issues needed to be addressed to ensure progression. The Executive Director – HR & Safeguarding had put an action plan in place (endorsed by the Executive Team) to be reported to the October Board Meeting that identifies priorities for HR. It was agreed that this would be shared with the Auditors.

The Committee were informed that Self-Assessment Report (SAR) moderations had now taken place. Uncertainty with the projected outturns for Apprenticeships for 2022/23 had led to significant concern over the current statement relating to the performance of apprenticeships. This, a recommendation from an independent consultant and the poor performance financially in 2022-23 had led the Executive to explore completely restructuring and downsizing the apprenticeship team and also taking the opportunity to integrate the business development team and ensure proper processes are in place.

NK advised that he was in the position of being at the receiving end of the Apprenticeship scheme and was concerned that the team was under resourced. The experience was currently not great, with significant variation in the quality of support given, and a reduction in the team was a concern. The Interim Principal/CEO replied that the team would be refocused to the scale of current delivery. The key focus was to improve the employer experience but it was accepted the framework would need to be monitored and managed to be able to respond to demand.

The Chair referred to the recommendations within the report advising that the Committee would need to see the revised scopes and the Internal Auditors would need to follow up directly after each audit to ensure the processes were working. The Interim Principal/CEO advised that the internal auditors were being supportive and involved and had agreed to comment on proposals in the formative stage which would shorten the timeline for the introduction of the reorganisation and hopefully provide assurance that any disruption would be minimised.

**Action: HR update report and proposed Apprenticeship restructuring paper to be shared with the Internal Auditors.**

**Agreed: a)**  
**a) That the Internal Audit of HR functions be delayed until the Spring or Autumn term and the areas to be reviewed agreed so that all HR functions are audited within 3 years**

	<p><b>b) That the payroll audit is undertaken once the new protocols are introduced and adopts a ‘clean sheet’ approach with all current and on-going recommendations being considered as being ‘superseded’</b></p> <p><b>c) That a specific audit is undertaken of Agency spend (once new protocols are in place) focusing on the approval; process, management of the budget, accountability of curriculum managers (linked back to effectiveness of use of staff and their utilisation)</b></p>
<p><b>8.</b></p>	<p><b>Internal Audit Reports:</b></p> <p><u>Follow Up 2021/22</u>  The Internal Auditor, Leisya Cox (LC), informed the Committee that eight recommendations had been carried forward from the 2021/11 follow up audit as follows: LC – four recommendations in Finance, two in HR and 2 Apprenticeships.</p> <p>The Chair asked if there was a specific date for the four partially met financial recommendations to be complied with. The Interim Principal/CEO replied that December 2023 was the date for completion of the recommendations as agreed with the auditors. The Interim Deputy Principal – Finance &amp; Resources (IDPFR) added that the updated Finance system would be live on 6 November 2023 which would ensure recommendations were completed by the deadline. It was also noted that the CGO was overseeing the revision of the College’s Financial Regulations and Procedures and that compliance would accommodate the new limits and processes adopted.</p> <p>NK referred to the HR recommendation regarding interviewing and questioned whether this should be a high risk given that recruitment was one of the biggest issues for the College. LC replied that the risk level was reflective at the time of the audit and this was a recommendation that had been carried forward. It was noted that changes would be made if the audit was undertaken at the current time. The Interim Principal/CEO added that recruitment issues were being approached as high risk as improving staff recruitment was the absolute priority for the College.</p> <p>The Chair referred to the report completed by an external company on the current process for Apprenticeships and asked if the Auditors had received this. The Interim Principal/CEO advised that he had seen a precis but the full report had not been provided. It was agreed that the report would be circulated to the Committee.</p> <p><u>Estates Management Service Standards</u>  LC reported that the report had received significant assurance (Green). The focus had been on service level agreements and some good processes in place had been noted with only two low risk recommendations.</p> <p>The Interim Principal/CEO advised that the Assistant Director of Estates was now a full member of SLT to be able to report to the team directly and ensure timely reporting became routine. NK added that having previously communicated with the team, they were a good and passionate team and he was confident all recommendations were in place but visibility to the Board was required. Commercial opportunities that may be being missed also needed to be identified and addressed.</p> <p>The Committee recorded their thanks to the Assistant Director of Estates and team for their hard work in ensuring a positive audit report.</p> <p><u>Apprenticeships Funding</u>  LC advised that the audit had been a follow up on last years recommendations alongside a full audit of apprenticeships funding and had received limited assurance. In terms of the follow up recommendations, one had been implemented, two partially implemented and four had not been implemented. Four medium risk and two low risk recommendations had been raised. The medium risk recommendations related to a review of apprenticeship costing models; completion of skill scans; apprenticeship progress for off-the job hours and invoices for co-investment fees.</p>

	<p>The Chair questioned whether the overheads allocation methodology for the costings recommendation was transparent. The IPFR replied that a review of the costing model was underway and evidence would be provided at the next meeting. The Committee were informed that internal checks were taking place to confirm that the skills scans were completed. The Interim Principal/CEO reported a comprehensive visualisation scheme was in place but the focus had been on 16-19 learners. The IDPFR advised that the visualisations used information from different systems to create one report and Smart Assessor (used for apprenticeships) was now being integrated into this. A presentation would be provided at the next meeting.</p> <p>NK referred to the recommendation pertaining to invoices, stating that money coming in was crucial and questioned how late invoices were and how this impacted on creditors. The Interim Principal/CEO replied that the External Auditors had been asked to review and report in detail on the cash situation and balance sheet including provision and accruals which would address the creditors on the balance sheet. The Chair stated that monthly management reports must be available and should detail the ageing creditors profile and Finance should be able to produce the ageing profile in a format that could be regularly updated. The Interim Principal/CEO advised that Chair of the Policy &amp; Resources Committee had asked for monthly management account meetings to keep a close on the position commencing from October and the creditor ageing profile would now be included with this report. The Chair agreed that this will provide assurance from a management perspective and asked for the report to be circulated to the Committee once completed.</p> <p>The Chair expressed concern regarding continuous recommendations that were not completed. The CGO replied that the Executive Team were reviewing this and had discussed how the College should benefit from internal audit process to ensure a different culture going forward.</p> <p><b>Action: External agency report on Apprenticeships to be circulated to the Committee.</b>  <b>Action: Evidence of review of costing model to be provided at the next meeting.</b>  <b>Action: Presentation on integration of Smart Assessor into visualisations to be provided at the next meeting.</b>  <b>Action: Ageing creditor report to be circulated to the Committee once completed and considered at monthly management accounts meetings from November 2023</b>  <b>Agreed: That the current position be noted.</b></p>
9.	<p><b>Revised Internal Audit Plan 2023-24</b>  LC reported that the revised Internal Audit Plan 2023-24 had been updated to include a mapping of audit areas against key risk register entries.</p> <p>The Chair stated that discussions at the Board may provide different discussions in terms of phasing but recommended the Internal Audit Plan be approved subject to small revisions on phasing and depth of scope as required. This was agreed.</p> <p><b>Approved: The Revised Internal Audit Plan 2023-24 was approved, noting that small revisions on phasing and depth of scope may be required.</b></p>
10.	<p><b>Subcontracting Controls Assurance Report 2022-23</b>  WP reported that the scope of the audit had changed from previous years and the College was fully compliant with all aspects.</p> <p>The Chair recorded his thanks to all staff involved.</p> <p><b>Agreed: that the current position be noted.</b></p>
11.	<p><b>Matters requiring Auditors to withdraw</b></p>

	There were no matters requiring Auditors to withdraw.
<b>12.</b>	<p><b>AoB</b></p> <p>The CGO reported that a review of Corporation membership was taking place and co-opted members to the Audit Committee would be appointed to increase Committee membership and ensure an adequate quorum for all meeting.</p> <p>NK advised that he would be happy to be involved in Health &amp; Safety discussions given his current experience and this was agreed.</p> <p><b>Action: Interim Principal/CEO to contact NK to arrange a discussion.</b></p> <p><b>Whistleblowing Update</b></p> <p>The CGO provided an update on progress against recommendations from the whistleblowing disclosure advising that these had been addressed and the matter was closed. The Committee noted that an additional internal audit, strengthening of reporting lines and change to staffing in the area concerned had taken place.</p>
<b>13.</b>	<b>Date and time of next meeting – Monday 27 November 2023, 4pm, Boardroom.</b>

The Chair thanked all those in attendance for their contributions. The meeting closed at 10.15am.

<b>Agenda Item</b>	<b>Action</b>	<b>Responsibility</b>	<b>Timescale</b>	<b>Update</b>
3.	Annual Appointment of Committee Chair and Vice-Chair to be deferred to the November Meeting.	CGO	27 November 2023	
7.	HR update report and proposed Apprenticeship restructuring paper to be shared with the Internal Auditors.	CGO	ASAP	Complete
8.	External agency report on Apprenticeships to be circulated to the Committee.	CGO	ASAP	Complete
8.	Evidence of review of apprenticeship costing model to be presented.	IDPFR	27 November 2023	
8.	Presentation on integration of Smart Assessor into visualisations to be provided at the next meeting.	IDPFR	27 November 2023	
8.	Ageing creditor report to be circulated to the Committee once completed and considered at monthly management accounts	Interim Principal/CEO/ IDPFR	31 October 2023	

	meetings from November 2023			
12.	Interim Principal/CEO to contact NK to arrange a discussion.	Interim Principal/CEO	ASAP	

Signed.....  
Bal Panesar (Acting Chair)

Date.....