

Minutes of the Audit Committee  
Held on Monday 20<sup>th</sup> June 2022

Present: John Dernie (acting Chair), Kathy Newman, Rob Stokes

With: Carole Kitching, Principal  
Stephen Horrobin, Deputy Principal Finance and Resources  
Ian Hole, Director of Resources and Projects (minutes 95 – 98)  
Louise Tweedie, RSM  
Tracy Scaife, Head of Governance

95. Apologies for absence – received from John Arnott.

96. Chair of committee – the committee agreed that, at the request of the Chair of the committee, John Dernie, Vice Chair of the committee acts as chair for the meeting.

97. Disclosures of Interest – received from Kathy Newman due to her employment with Nationwide Building Society with whom the college holds an account.

98. Minutes of the last meeting held on 21<sup>st</sup> April 2022 – agreed as a correct record.

Matters arising were raised as follows:

(i) Minute 87 Critical systems annual review/IT security annual review and update – the Director of Resources and Projects advised the meeting that the college anti-virus system has been replaced and Microsoft Defender is now being used across the organisation. The Microsoft licence is due to be renewed in November and the level of protection will be further enhanced at this time.

Multi-factor ID for students will be introduced from the beginning of the new academic year. Conversations are currently taking place regarding how the new process will be communicated to students and how to align this with the enrolment process.

The JISC report is available and can be circulated to the committee.

With regard to Cyber Essential Plus, the Director of Resources and Projects advised that the ESFA have now dropped the requirement for colleges to meet the guidelines. Work is taking place with JISC to confirm where the college is within the scope of the guidelines as at present contradictory advice has been received.

Cyber security is included within the IT section of the risk register.

The Director of Resources and Projects advised that there are issues with governors using personal email addresses for the sending of potentially sensitive information such as Corporation reports and minutes and this practice needs to be curtailed. All governors should be using a college email account or access such documents through a sharepoint facility. The Head of Governance that the college already uses GovernorHub which is a facility for the sharing and storage of documents.

(ii) Audit Action Log – the meeting noted that the document does not include the historic action completion dates and it was suggested that these should be kept within the document in order to allow for tracking.

With regard to the Risk Management Group, the Deputy Principal Finance and Resources advised the meeting that the membership of the group is not yet known. Although considered good practice,

there is no requirement to have a Risk Management Group and there is a possibility that it will not be introduced. The Chair of the committee advised that she has strong feelings on this as it is a first line control and would like to be involved in any discussions with regard to the group being established.

99. Risk Register and risk management update – Risk Register and report by Deputy Principal Finance and Resources with regard to risk management received and noted. It was further noted that the separate Covid-19 risk register has been removed with any residual risks included in the main register.

The Chair of the committee advised that target dates for actions relating to the risks should be included and more effort should be made going forward to include these. The report should be tidied up before being presented to the Corporation meeting at the beginning of July and have clear information on improvement actions.

The historic former Swindon College VAT issue was noted. The Deputy Principal Finance and Resources informed the meeting of advice received from the college tax advisor. Currently no invoices have been received so technically the college does not owe any monies. It was further noted that the college needs to ensure that it keeps records of all correspondence that it has with the tax advisors and HMRC. Once a clear position is received from HMRC, the college will continue with the issue with VAT Angles supported by appropriate legal advice.

***ACTIONS:*** *SH to revise risk report and risk register prior to sending for Corporation meeting, including target dates if possible.*

100. Internal audit reports –

(a) 3.21/22 Key Financial Controls – noted that the audit focussed on sales ledger, general ledger and month end. Recommendations from the previous report were also followed up and together these resulted in two low priority actions from the new work and one medium priority action from the previous work. Overall the report was rated green, substantial assurance.

(b) Progress report – received and noted.

The report is a factual report on work undertaken by the internal auditors. Louise Tweedie directed the committee's attention to page 10 relating to the requirements for the Audit committee and the analysis of risks across the sector.

(c) Plan 2022/23 – received and noted.

The process for deciding the areas to be looked at by the internal auditors was explained. It was further noted that an additional piece of work relating to payroll had been requested this year and would be carried out in two weeks time.

With regard to subcontracting it was noted that this is audited separately and is one of the most heavily audited areas of the college. Approximately eighteen months ago it was also called in as part of the ESFA national scrutiny exercise undertaken by KPMG.

The movement of data is looked at during work on data protection.

A query was raised with regard to the fees proposed for the coming academic year which appear to have increased by 14% which was thought to be quite high. Louise Tweedie advised that she thought the increase was 11% and agreed to check the figures and report back to the committee.

***ACTION:*** *LT to check figures for fees for 2022/23 academic year and report back to the committee asap.*

101. Audit committee self-assessment/performance review – report by Head of Governance received and noted.

It was suggested that for future exercises the wording of question 2 be amended to clarify that it relates to the committee and non-governor attendees be also asked to complete a self-assessment questionnaire.

***ACTION:*** *TS to amend wording of question 2 and consult with Chair of Corporation re. who is invited to complete a questionnaire.*

102. Audit committee cycle of business 2022/23 – received and noted.

It was further noted that a special meeting will be convened in February/March 2023 to deal with the appointment of external auditors. The process will follow the procurement framework.

Louise Tweedie confirmed that the proposed cycle of business covers all of the required areas.

103. Audit action log – received and noted.

It was requested that expired/amended completion dates be left on the document to enable tracking. Louise Tweedie agreed that this is good practice.

**RESOLUTION:** that the following actions be removed from the Audit Action Log –

- 1.19/20 Higher Education Framework
- 3.19/20 Key Financial controls
- 4.19/20 Governance and Risk Management Arrangements re. retention logs
- 5.19/20 Follow up review of information asset register
- 4.20/21 Key Financial Controls – General
- 4.20/21 Key Financial Controls – General Cash and Banking (2 actions)
- 2.21/22 Marketing and Employability Arrangements – Job descriptions
- 2.21/22 Marketing and Employability Arrangements – marketing
- 2.21/22 Marketing and Employability Arrangements – work experience re. spreadsheet tracker

***ACTION:*** *SH to ensure future reports retain previous completion dates*

104. Fraud, irregularity and whistleblowing update – no items to report.

105. Review of outstanding committee actions – received and noted.

**RESOLUTION:** that the following items be removed from the outstanding committee actions list –

90. Fraud, Irregularity and Whistleblowing update – nothing to note.

91. Review of Outstanding Actions – received and noted.

The committee agreed that the following actions be removed/amended –

- 25.05.2021 – minute 58 - remove
- 25.05.2021 – minute 59 – amend date to October 2022
- 29.11.2022 – minute 70 – remove

- 29.11.2022 – minutes 72 and 73 – remove
- 21.04.2022 – minutes 86, 87 and 94 – remove
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***ACTION:*** TS to amend Committee Outstanding Actions List as required:

92. Any other business – none.

93. Date of next meeting – to be advised.

94. Appointment of Internal and External Auditors – confidential minutes refer.

95. Confidential minutes of the last meeting held 21<sup>st</sup> April 2022 and matters arising – confidential minutes refer.