

Minutes of the **Audit Committee**  
Held on Tuesday 8<sup>th</sup> November 2022

Present: Kathy Newman (Chair), John Arnott, Pradeep Bhardwaj, Monica Lawson, Rob Stokes

With: Guy Gorvett, Mazars  
Louise Tweedie, RSM (joining via Teams)  
Carole Kitching, Principal  
Stephen Horrobin, Deputy Principal Finance and Resources  
Marc Webb, Deputy Director of Finance  
Tracy Scaife, Head of Governance

98. Apologies for absence – received from John Dernie. The Chair welcomed Monica Lawson to her first meeting of the committee.

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

100. Audit Strategy Memorandum – confidential minutes refer.

101. Audit Completion Report and Management Representation Letter – confidential minutes refer.

102. Financial Statements and Annual Report year ended 31<sup>st</sup> July 2022 – confidential minutes refer.

103. Risk management update – confidential minutes refer.

104. Minutes of the last meeting held 20<sup>th</sup> June 2022 and matters arising – agreed as a correct record.

Matters arising raised as follows –

(a) 98(ii) Minutes of the last meeting held on 21<sup>st</sup> April 2022 – Action Log – noted that the Risk Management Group is being resurrected.

105. Internal Audit Reports – received and noted as follows:

(a) Key Payroll Controls – The conclusion of the report is reasonable assurance with three medium and two low priority actions. Key findings and recommendations were noted.

(b) Governance, Risk and Controls Management Arrangements – The audit looked at governance structure post-merger and the risk management structure. The conclusion of the report is reasonable assurance with one medium priority action and four low priority actions. The appendices to the report regarding good practice relating to risk were also noted.

(c) Apprenticeships – noted that within the education sector funding for apprenticeships is a high risk area with very complex rules. The main risk relates to compliance with new calculation rules and it must be ensured that these rules are adhered to. It was further noted that it has been confirmed that procedures have been amended to comply with the new calculation rules.

(d) Follow Up – the follow up review looked at the progress made regarding the implementation of previously agreed management actions relating to four previous audits undertaken during the 2020/21 academic year. The conclusion of the review was that reasonable progress has been demonstrated.

It was suggested that an additional piece of work was required with regard to payroll following on from the Audit Completion Report.

(e) Progress Report – the report gives an update on progress against the Internal Audit Plan for the 2022/23 academic year.

(f) Annual Report 2021/22 – the report provides an annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the college's risk management, control and governance processes and the opinion for the 2021/22 year is that the college has an adequate and effective framework for risk management, governance and internal control.

106. Financial Reporting Controls – report by Deputy Principal Finance and Resources and Deputy Finance Director received and noted.

The Deputy Principal Finance and Resources advised that further improvements are required with regard to the management accounts reporting cycle and these will be implemented shortly.

107. Policies – received and noted.

(a) Anti-bribery and anti-corruption – updated from previous version. Noted that paragraph 10.1 needs to be cross-referenced to the HR policy.

(b) Anti-fraud and fraud response plan – updated from previous version.

(c) Risk Management policy – noted that this is a new policy and that there is some duplication between the policy and the risk appetite statement. The policy needs to be amended accordingly with cross-reference to the risk appetite statement.

**RESOLUTION:** that subject to the amendments above, the Corporation be recommended to approve the following policies –

Anti-bribery and anti-corruption policy  
Anti-fraud Policy and Fraud Response Plan  
Risk Management Policy

**ACTION:** SH/MW to amend policies as required and present to Corporation 06.12.2022

108. Risk Appetite Statement – report by Deputy Principal Finance and Resources received and noted.

Changes are required to the figures in point 4 of the report to –

Red = in excess of £2m

Amber = £0.4m - £2m

Green = less than £0.4m

**RESOLUTION:** that the Corporation be recommended to approve the risk appetite statement subject to the figures in point 4 being amended as above.

**ACTION:** SH to amend figures in point 4 and present report to Corporation 06.12.2022

109. Audit Committee Annual Report to Corporation – received and noted.

The report is still in draft and requires information relating to the subcontracting audit to be included.

**ACTION:** SH to provide outstanding information to KN

110. Audit committee KPIs – the committee suggested that the main KPI for the committee should be the closing down of actions. The Deputy Principal Finance and Resources was asked to propose the metrics for this KPI.

**ACTION:** SH to propose metrics for KPI re. closing down of actions.

111. Audit Action Log – received and noted.

All closed actions to be removed as indicated within the report.

The Chair asked for the actions to be listed in due date order with those outstanding longest at the top of the list. Tracking should be included. The audit action log needs to be referred to the Risk Management Group.

**ACTION:** SH to list outstanding items in due date order with tracking and those outstanding longest at top of list; MW to refer audit action log to the Risk Management Group

112. Audit Committee Terms of Reference – draft received and noted.

**RESOLUTION:** that the Audit committee Terms of Reference be presented to the Corporation on 6<sup>th</sup> December 2022 for approval.

**ACTION:** TS to present Audit Committee ToRs to Corporation 06.12.2022

113. Fraud, irregularity and whistleblowing update – the Deputy Principal Finance and Resources advised that there were no fraud or irregularity issues to report however whistleblowing issues are dealt with by the Human Resources Team and he has not been advised of any issues.

A discussion was held on where whistleblowing issues should be reported and Louise Tweedie advised that they do have to be reported to the Audit committee as prescribed by the Post-16 Audit Joint Code of Practice. This is currently not stated within the Whistleblowing Policy and this needs to be amended accordingly.

***ACTION:*** *TS to advise HR of need to amend Whistleblowing Policy re. reporting of issues to the Audit Committee*

114. Review of outstanding committee items – received and noted.

115. Any other business – none raised.

116. Date of next meeting – Tuesday 7<sup>th</sup> February 2023 at 4.00pm

117. Confidential minutes of the last meeting held on 20<sup>th</sup> June 2022 and matters arising – confidential minutes refer.

118. Tender for external audit services – confidential minutes refer.