

Audit Committee

Minutes of the meeting held on 20 November 2019

Present: Stephen Brown, Steve Cook, Amanda Fenton, Chris Gurevitch, Paul Simpson (Chair), Denise Thompson

In attendance: Karen Ashman (Assistant Principal), Richard Lewis (RSM UK Audit LLP), Gary Parkinson (Business Manager), Colin Peaks (Principal), Vikki Reeve (Interim Clerk)

1. Election of the Chair (agenda item 1)

The Committee thanked Paul Simpson for his work as Chair in the previous year. He was subsequently elected for 2019-20.

Resolved: Paul Simpson was elected as Chair for 2019-20.

2. Apologies for absence (agenda item 2)

Resolved: There were no apologies for absence.

3. Declarations of interest (agenda item 3)

Resolved: Richard Lewis declared an interest in agenda item 14 (Review of performance of external services) – he will leave the meeting if required.

4. Minutes of the last meeting held on 12 June 2019 (agenda item 4)

It was noted that Steve Cook's apologies should be noted in minute 32 (not 33) and that there were no declarations of interest. They are otherwise a correct record.

Resolved: The minutes of the meeting held on 12 June 2019 were accepted as a correct record and signed by the Chair.

5. Matters arising from the minutes/action schedule (agenda item 5)

The Clerk noted that training on the insolvency regime and the risk to the college has been organised for December's pre-Corporation training session. Training will run from 3.30 pm to 4.15 pm.

Resolved: The actions from the previous minutes have been undertaken.

6. Regularity Audit Self-Assessment for the year ended 31 July 2019 (agenda item 6)

It was agreed that minute 6 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government until the reports are finalised and approved by Corporation (December 2019).

7. Engagement letter (agenda item 7)

It was agreed that minute 7 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government until associated reports are finalised and approved by Corporation (December 2019).

8. Draft Members Report and Financial Statements for the year ended 31 July 2019 (agenda item 8)

It was agreed that minute 8 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government until the reports are finalised and approved by Corporation (December 2019).

9. Final Audit Findings Report for the year ended 31 July 2019 (agenda item 9)

It was agreed that minute 9 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government until the reports are finalised and approved by Corporation (December 2019).

10. Letters of representation for the Financial Statements Audit and Regularity Audit for the year ended 31 July 2019 (agenda item 9)

It was agreed that minute 10 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government until the reports are finalised and approved by Corporation (December 2019).

11. Annual Audit Plan 2019-20 (agenda item 11).

CAP presented the Annual Audit Plan outlining areas that Governors may wish to audit/scrutinise:

- SMT and Governors could gain reassurance from an external review of health and safety to ensure that the college is fully compliant with its responsibilities. A caretaker has undertaken a health and safety qualification and the outcomes of this review could direct her work.
- Gary Parkinson (GJP) has been in post for a full year and is starting to make some changes. Governors may wish to check they are happy with processes. GJP noted that this has already begun and representatives of the Committee are in College next week to audit financial systems in operation.
- Under Quality & Standards' remit to undertake scrutiny, they are looking at A Level and attendance improvement strategies and testing what they are being told in meetings.
- Additional to what is in the report, CAP suggested Governors might want to check that the college's central register for safeguarding is thorough and we are meeting our responsibilities. He added that this is a limiting grade in an Ofsted inspection.

Governors queried the college's measures to prevent cyber-attacks, as colleges are now being targeted. Karen Ashman (KAA) noted that the college has done training with staff and any issues that arise are reported and dealt with quickly. Governors added that emails often look like they're from staff, but small measures such as hovering over the address can show very quickly whether it is genuine or not. CAP agreed that staff would benefit from receiving tips such as these.

Governors asked if all computers have anti-virus software. CAP confirmed that they do

Governors asked if the college has ever received fraudulent invoices. GJP confirmed that some have been received, but were identified as fraudulent very promptly. He added that measures are in place and the college does not pay to any account other than the one that is registered on the system.

Governors asked about IT security being reliant on just one member of staff. CAP noted that the team has been expanded, allowing other members of the IT team to be trained in this area.

Richard Lewis noted that some organisations employ external IT services to stress test and try to penetrate IT systems to identify any weaknesses.

Governors asked about purchase ledger files and whether it is reported if there are any changes. GJP agreed to look at ways of further improving the system.

Richard Lewis added that the ESFA are keen on two areas:

- Engagement with controls over the student database and how data is cleansed.
- Procurement and conflict of interest.

He added, however, that the auditors understand that processes and recovery plans are in place and there is nothing to bring to Governors' attention.

Governors asked if the college is compliant with environmental standards set by the Council, e.g. in how hazardous materials are disposed of. GJP noted that the college has a contract with the Council and other specialist companies for this. CAP added that this could be checked alongside the health and safety compliance audit.

Recommended: The Annual Audit Plan for 2019-20 be approved.

12. Risk Register and Board Assurance Framework (agenda item 12)

It was agreed that minute 12 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government for a period of one year.

13. Freedom of Information Act 2000 and GDPR requests (agenda item 13)

It was agreed that minute 13 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government for a period of one year.

14. Review of Performance of External Auditors (agenda item 14)

The Chair informed Richard Lewis that it wasn't necessary for him to leave the meeting for this item. GJP provided an update on the performance of external audit services. He noted that there was a new team who were all very helpful and had understanding of the sector. He said they were challenging in the right way and went through systems thoroughly, coming to appropriate agreements on a few matters.

Resolved: The review on the performance of the external audit service was received.

15. Annual Report of the Audit Committee 2018-19 (agenda item 15)

It was agreed that minute 15 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government for a period of one year.

16. Meeting without management present, if required (agenda item 16)

Richard Lewis confirmed that he had nothing to discuss with the Committee without management being present. He noted that there is nothing to bring to their attention and assured the Committee that he would have already done so.

Resolved: The meeting without management present was not required.

17. Any other business (agenda item 17)

17.1 Retention of the Individual Learner Record (ILR)

Governors asked Richard Lewis if the college is required to retain original hard copies of the ILR if there is a scanned version of it. Richard Lewis confirmed that as long as the college is confident that the electronic copy is safe and secure, there is no need to retain the hard copy. KAA assured Governors that the college's IT systems are backed up.

18. Confidential items/reports (agenda item 18)

It was agreed that minutes 6, 7, 8, 9, 10, 12, 13 and 15 should be classified as confidential in accordance with Clause 17 (2) of the Instrument of Government and associated reports are therefore not available for circulation to the public, college staff or students (excluding senior post holders).

19. Date of next meeting (agenda item 19)

Resolved: It was agreed the Clerk will email the Committee to check availability of two dates – 26 February 2020 at 12.00 noon or 4 March 2020 at 2.00 pm.

Action schedule

Minute no	Title	Action by	Action
19	Date of next meeting	Clerk	To email the Committee and confirm the date of the next meeting.

Learner impact

All reports and decisions took account of the impact on learners, e.g. gaining assurance that the college remains a going concern.



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