

**Minutes of the Audit Committee Meeting held on 1<sup>st</sup> December 2021 via Zoom**

**Members Present:** Eddie Weiss (Chair), Nick Bevan, Bethan Waters, Andrew King

**In Attendance:** John McGrath (Vice Principal, Corporate Services) (VPCS), Karen Mitchell (Principal), Anna Smith (Clerk), Sarah Mason (Representing External Auditors RSM), Dakshita Takodra (Representing Internal Auditors TIAA)

**1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

There were no apologies and no new declarations of interest relevant to the business of the Committee.

**2. INTERNAL AUDIT**

Assignment Report – Subcontracting (Dakshita Takodra, TIAA in attendance)

Members were taken through the internal audit assignment report of the review of subcontracting which had been conducted in July 2021. The audit is annual, TIAA provided an overall assessment of substantial assurance with only minor recommendations as detailed in the report which the VPCS briefed Members on. Query was raised over whether the Ofsted grading for High Needs concerned any subcontracting provision but it was confirmed feedback on this related to student expectations rather than provision.

The Committee was satisfied that, within its remit for responsibility, subcontracting is being managed appropriately. The Committee **Noted** the report.

*5.40pm Dakshita Takodra left the meeting.*

Audit Plan 2021-22

The VPCS briefed Members on the internal audit plan providing reassurances of the Cyber security audit which had been conducted by Jisc in November and plans in place to improve security. There will be substantially more internal audits than in previous years as per the draft schedule. The Committee **Noted** the internal audit plan for 2021-22.

**3. MINUTES OF THE MEETING HELD ON 23<sup>RD</sup> JUNE 2021 AND MATTERS ARISING**

The minutes were **Approved** as a correct record and it was confirmed that actions had been completed.

**4. AUDIT COMMITTEE MEMBERS TRAINING AND DEVELOPMENT**

The Clerk briefed Members on the report which had been prepared for the Committee to consider the training and development of its Members. This had been a new requirement in the Audit Code of Practice and Members were thanked for their participation in training. Members were informed of how useful the ETF training module was and the Clerk agreed to resend details of this to the Committee (**Action: Clerk**).

The Committee had also received a Self-Assessment Effectiveness review based on the AoC model and the VPCS briefed Members on the assessment evidence to support the statements. The VPCS offered to arrange for TIAA to provide a follow up on work completed in the previous year to ensure the Committee reviews the outcomes satisfactorily (**Action: VPCS**). Members welcomed the review as a reminder of meeting the Committee's responsibilities and evaluating performance.

## 5. ANNUAL REPORT AND FINANCIAL STATEMENTS 2020-21

The VPCS took the Committee thoroughly through the report and the Chair reminded Members of the need to ensure they are satisfied with the entirety of the document. Throughout discussion the following points were noted:

- The risk factors are determined largely based on model accounts used across the sector. Sarah Mason confirmed these are usually linked to the risk register and do appear very similar across colleges but governors need to be satisfied that the risks are appropriate.
- The Going Concern section is relatively new, taking into account the increased focus on this topic at a national level, and was noted by the Committee.
- Sarah Mason briefed on the Independent Auditors report section, explaining the main changes, highlighting significant aspects and confirming RSM are satisfied with the report and accounts.
- The Committee were pleased to see no surprises and that the audited accounts are in-line with the management accounts.

### RSM Audit Findings Report

Sarah Mason (SM) took Members through the report noting RSM are satisfied that the financial statements are final, all work in this area has been completed and the document can be presented to the Corporation. A new version of the audit findings report would be issued showing everything has been completed.

Minor recommendations were explained and the VPCS briefed on the deferred income regarding the HealthTec/Oxford NHS Trust relationship.

SM will be in attendance at the Corporation meeting in line with the new Audit Code of Practice requirement to reassure Governors that RSM are satisfied the Board can approve the accounts.

Discussion included the following points:

- The Chair commented that it is good practice for Governors to meet with auditors without executives present. SM agreed and confirmed that she is satisfied this is not currently necessary. Any significant matters of concern would be raised with the Chair independently should they arise.
- Query was raised and it was confirmed that misstatements are not amended in the accounts as they are not material but are reported to the Committee to note that they have been found as part of the audit (and form part of the letter of representation). In terms of internal control points, the internal auditors might pick up on these when reviewing financial processes and procedures. It is for management to follow these up and ensure actions are completed and/or monitored and for the Committee to challenge and ensure matters are dealt with. The VPCS briefed the Committee on actions to date to address recommendations.
- It was noted that the audit fee has increased and Members were reminded of the additional fees associated with the new ESFA condition relating to certainty of funding which required additional work.

Following discussion, the Committee **Recommended** the Annual Report and Financial Statements 2020-21 to be approved by the Corporation.

### RSM Emerging Issues Autumn 2021

The Committee **Noted** the document which has been received from RSM for information to remain updated on latest issues.

## 6. ANNUAL REPORT OF THE AUDIT COMMITTEE 2020-21

The VPCS took Members through the report. Minor amendments were agreed (**Action: VPCS**). The Chair reminded the Committee of the importance of being satisfied with its conclusions. In terms of being satisfied with processes for securing economy and efficiency, this relates to the Committee's role in ensuring value for money and RSM tests this as part of the audit process.

Subject to these amendments, the Committee **Recommended** the annual report of the Audit Committee 2020-21 to be approved by the Corporation.

## **7. RISK MANAGEMENT REPORT**

The VPCs fully briefed Members on the risk areas as detailed in the latest report. The main risk areas being given high priority at present are staff recruitment and retention, student recruitment and investment in IT hardware to reduce the threat of cyber attacks. Query was raised over the previous risk on attendance and the Principal provided reassurance of the improvements being seen due to the impact of the new attendance strategy in place as commended by the Quality and Curriculum Committee. However, attendance is still key and the VPCS confirmed it should remain a high priority for consideration with a view to reducing the risk status later in the year if the current improvements were maintained. Discussion took place around targets for IT hardware replacement in ensuring minimising risks to cyber security and investment required to achieve this.

Members thanked the VPCS for the comprehensive briefing and the Committee **Noted** the report and risk register.

## **8. APPOINTMENT OF INTERNAL AND EXTERNAL AUDITORS**

Sarah Mason offered to leave the meeting but it was agreed this would not be necessary. The tendering process would commence in the new year, ensuring compliance with the Audit Code of Practice.

## **9. ANY OTHER BUSINESS**

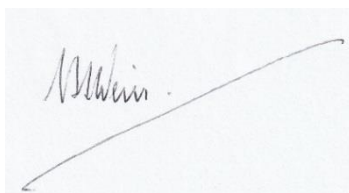
The VPCS noted his thanks to RSM for their continued support and strong working relationship throughout the year.

## **10. DATE OF NEXT MEETING**

23<sup>rd</sup> March 2021.

*The meeting ended at 7pm.*

Signed by Chair of Committee:

A handwritten signature in blue ink, appearing to read 'M. Wein', is written over a long, thin, horizontal line that spans the width of the signature area.

Date: 30<sup>th</sup> March 2022