

Minutes of the Audit Committee Meeting held at 5.30pm on 22nd June 2022 via Zoom

Members Present: Eddie Weiss (Chair), Nick Bevan, Bethan Waters, Colin Hayfield

Apologies: Karen Mitchell (Principal)

In Attendance: John McGrath (Vice Principal, Corporate Services) (VPCS), Anna Smith (Clerk to Corporation), Nicky Ellis (Faculty Director), Dakshita Takodra (Representing Internal Auditors TIAA), Chris Mantel (Representing Alliotts LLP)

Minute No.	Agenda Item
AUD 08/22	<p>Welcome and Declarations of Interest</p> <p>The Chair welcomed all to the meeting, in particular Colin Hayfield to his first meeting as a new Co-Opted Member of the Committee. There were no new declarations of interest relevant to the business of the meeting.</p>
AUD 09/22	<p>Internal and Other Audit Assignment Reports</p> <p>The VPCS introduced the item, welcoming Dakshita Takodra (DT) to brief Members on the two internal audits completed by TIAA audit and Nicky Ellis (Faculty Director) (NE) to provide additional reassurance on the College's safeguarding provision.</p> <p><u>Safeguarding (audited by TIAA)</u></p> <p>TIAA provided an overall assessment of Reasonable Assurance, scoring well on policies and procedures. The report noted that Ofsted had provided assurance that 'arrangements for safeguarding are effective' and the Committee was reassured that the recommendations were ensuring more robust record keeping and completion of staff training which easily rectified and no major cause for concern. DT thanked those involved for their support with the audit and confirmed TIAA were satisfied with the good level of assurance. NE provided further assurances, thanking TIAA for the audit and informing the Committee in detail of actions taken to improve record keeping and staff training, with the action plan under fortnightly review.</p> <p>Members discussed the importance of accurate and timely record keeping to ensure students are fully supported and were pleased to hear of the actions in place with more streamlined processes. It was agreed a follow-up report could be made available to the Committee at its next meeting to close the issues off (Action: VPCS).</p> <p><u>Subcontracting (audited by TIAA)</u></p> <p>An overall assessment of Substantial Assurance had been provided with one minor recommendation relating to quarterly observations being undertaken with tutors and students. The VPCS added that subcontracting assurance was a good strength of the College, the number of subcontracting relationships has reduced since merger with more consolidation with two major providers and that excellent relationships are in place with the providers. New guidance from the ESFA is expected for next year's audit process.</p> <p><u>Bursary Funding (audited by ESFA)</u></p> <p>The VPCS briefed Members on the process and relatively minor recommendations as detailed in the report. The error rate was minimal and the ESFA were overall satisfied with assurance relative to substantial assurance rating. NE provided further reassurances noting a lead person had been appointed to manage bursaries across all campuses. The Chair queried and it was confirmed means tested bursaries were given to the student directly where appropriate, totalling approximately £300k in payments this year. Query was raised and it was</p>

	<p>confirmed that the two ineligible students who received bursary funding did not have to reimburse the funding as the ESFA asked the College to hold the amount over into the following year's funds.</p> <p><i>5.55pm Dakshita Takodra, Nicky Ellis and Bethan Waters left the meeting.</i></p>
AUD 10/22	<p>Minutes of the Committee Meeting held on 30th March 2022</p> <p>The minutes were approved as an accurate record and would be duly signed by the Chair.</p>
AUD 11/22	<p>Audit Committee Terms of Reference</p> <p>Members discussed the inclusion of the Committee's responsibility to recommend improvements as a result of internal audit and it was agreed the Clerk would circulate an amendment for the Committee's recommendation (Action: Clerk). Subject to this amendment, the Committee Resolved to Recommend the Terms of Reference to the Corporation for approval.</p>
AUD 12/22	<p>External Audit Tender Report and Recommendation</p> <p>The VPCS provided a full briefing for the Committee on the tender process, responses received to the invitation to tender and the rationale for the recommendation of the appointment of Alliotts LLP as the College's external auditor.</p> <p>The Chair reinforced the recommendation noting the impressive presentations on meeting with Alliotts and the Co-Opted Member confirmed his confidence in the long-standing firm but raising concern that all audit firms were short of staff at present and this could cause issues in audit completion. The VPCS agreed this was the case for some firms but that Alliotts have assigned an auditor to complete the audit and so measures were in place to ensure timely completion. Query was raised and the VPCS confirmed he had received good references for Alliotts from other colleges in the South East region.</p> <p>The VPCS offered to circulate Alliotts tender document for Members' information (Action: VPCS). It was agreed the VPCS would notify the Chair of Corporation of the recommendation out of courtesy prior to the Corporation meeting.</p> <p>The Committee Resolved to Recommend to the Corporation the appointment of Alliotts LLP as the College's external auditor with immediate effect.</p> <p><i>6.10pm Chris Mantel (Alliotts) joined the meeting.</i></p> <p>The Chair welcomed Chris Mantel (CM) to the meeting and Members introduced themselves in turn.</p>
AUD 13/22	<p>Risk Management Report and Risk Register</p> <p>The VPCS explained the format of the register and welcomed any suggestions for this going forward. CM noted that it was rare for the Committee to see the whole risk register and typically only the key risks and key movements would be reviewed.</p> <p>Members were briefed on the key risks as detailed in the report with discussion taking place on the following points:</p> <ul style="list-style-type: none"> • Subcontracting, achievement rates, student attendance and engagement: since the pandemic many issues including mental health and behavioural matters have impacted on these and so the risk is increased. The Vice Principal Learning & Quality will provide a full briefing on this at the Corporation meeting on 7/7/22. Members agreed this is the case across the sector given the impact of returning since Covid. • Staffing and resourcing: the risk remains given current staffing challenges across the sector and it was anticipated the pay review will support recruitment and retention. Query was

	<p>raised regarding the AoC pay recommendation recently published and it was confirmed the College was anticipating a higher level pay increase than recommended. This was under discussion with the unions with strong, positive support to reach agreement.</p> <ul style="list-style-type: none"> • Estates strategy: the DfE have now confirmed the project had been approved and grant funding was in place. The risk to the timeline/cost overruns was increased due to the amount of time needed to obtain planning permission from the recently submitted applications and to the unknown construction costs until contractors' tenders were received. • IT: realistic expenditure was being reviewed to ensure cyber risk protection and this would be reported to the Corporation on 7/7/22. • Query had been raised outside of the meeting relating to the inclusion of rising energy costs, cost of living and supply chain issues. It was agreed these were included in the pay review and estates strategy items and while they did not need to be separate points they should be covered in the comments on reporting. <p>The Chair queried whether the Corporation should receive the risk register in its current format and while there was no objection to this, it was confirmed the Corporation receives KPI reports together with full and contextualised detail on the key risks in the Executive reports and it was delegated to the Committee to review the risk register itself. It was agreed this may be reviewed going into 2022/23.</p>
AUD 14/22	<p>External Audit Plan</p> <p>CM took Members through Alliotts external audit plan following a standard approach and highlighting that opinions were given on regularity and on the financial statements. Following a thorough briefing, recruitment was discussed given the estates strategy and CM provided reassurance that the location was much improved for the College's current students and while some losses might be experienced, in CM's experience of the sector, new buildings attract far greater student numbers than losses.</p> <p>Audit work would commence in July/August for the initial work with the full audit being completed in September/October using a blended approach of online/on site work. On timescale, query was raised in terms of colleges all completing such audits at the same time of year and whether this was challenging in terms of resourcing. CM confirmed the work for the College was fully resourced at present.</p> <p>The Chair thanked CM for his briefing.</p>
AUD 15/22	<p>Any Other Business</p> <p>None</p>
AUD 16/22	<p>Date of Next Meeting</p> <p>Date TBC. Following the feedback survey on preferences for days/times of meetings, Members agreed Audit Committee meetings would be held online at 6pm on Tuesdays.</p>

The Chair thanked all for attending and the meeting closed at 6.55pm.

Approved as an accurate record of discussions: 29th November 2022

Signed by Chair of Committee:

