

**Draft Minutes of the Audit Committee Meeting held at 6pm on 24<sup>th</sup> July 2023 via Zoom**

**Members Present:** Eddie Weiss (Chair), Nick Bevan

**Apologies:** Colin Hayfield

**In Attendance:** Jenny Craig (Principal & CEO), John McGrath (Vice Principal Corporate Services) (VPCS), Dakshita Takodra (Internal Auditors, TIAA) (*agenda items 1 – 3 only*), Chris Mantel (External Auditors, Alliotts), Anna Smith (Director of Governance)

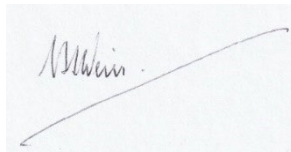
<b>Minute No.</b>	<b>Agenda Item</b>
AUD 07/23	<p><b>1. Welcome, Apologies and Declarations of Interest</b></p> <p>The Chair welcomed all to the meeting. Apologies were <b>Noted</b> and, as it was his last meeting, thanks were recorded to Colin Hayfield for his support as Co-opted Member of the Committee for this academic year. There were no new declarations of interest relevant to the business of the meeting.</p>
AUD 08/23	<p><b>2. Minutes of the Committee Meeting held on 23<sup>rd</sup> February 2023 and Matters Arising</b></p> <p>Members agreed the minutes were an accurate record of discussion. The single matter arising would be covered under agenda item 3.</p> <p>The Committee <b>Resolved to Approve</b> the minutes of the meeting held on 23/2/2023.</p>
AUD 09/23	<p><b>3. Internal Audit Reports</b></p> <p>The VPCS explained the current position of the internal audits for 2022-23 that had required amendment as detailed in the report. The College has been selected to undergo both a Greater London Authority (GLA) funding audit and an ESFA funding audit. The subcontracting and funding audit reports will be available in advance of the next meeting in order for the Committee to provide assurances in the Committee’s annual report for December.</p> <p>In querying the funding audits, both the VPCS and CM explained the College’s devolved funding from the GLA and the ESFA funding amounts, what auditors would be looking for and potential impact on completion time in order to meet the financial statements sign off deadline in December. Any serious finding in the ESFA audit would be dealt with in the management letter as the College would make provision to correct and make any adjustment in the accounts. CM provided reassurance that there should be no reason for concern for the College other than the additional pressure on the MIS team conducting the GLA, ESFA and external funding audits simultaneously.</p> <p>In terms of the safeguarding and bursary internal audit follow up, DT briefed the Committee on the follow up audits noting all recommendations had been implemented with the exception of one which had been partially implemented. This relates to safeguarding training and the VPCS contextualised staff completion numbers and the measured approach being applied consistently to ensure all staff are able to complete in a way appropriate to their role.</p> <p>The proposed actions from the just finished subcontracting internal audit were shared on screen and DT confirmed whilst the new style report required by the ESFA doesn’t require an assurance level, the outcome in this case would have been the equivalent of a previous ‘Substantial Assurance’, with only low level recommendations proposed. The VPCS and DT</p>

	<p>took the Committee through the proposed recommendations with assurances of processes in place to complete/evidence these.</p> <p>Query was raised and it was confirmed financial penalties have been introduced this year for underperformance (achievement level) by subcontractors. The VPCS reminded the Committee that the College has substantially reduced its number of subcontractors over the period since the merger.</p> <p>The Committee <b>Resolved</b> to <b>Endorse</b> the internal audit reports and updates.</p> <p><i>6.35pm Dakshita Takodra left the meeting.</i></p>
AUD 10/23	<p><b>4. External Audit Plan</b></p> <p>CM took the Committee through the report noting Alliotts would be giving opinions on (i) financial statements and (ii) regularity assurance. CM highlighted and explained the key risk areas detailed in the report. The outcome of ESFA funding audit is critical since both the adult education budget and apprenticeships could result in funding clawbacks so the impact of this needs to be known before signing off on the accounts. Any delays in finalising the ESFA audit report could have a knock on effect on the financial statements approval process depending on how significant any findings are.</p> <p>In terms of the regularity audit, since the public sector reclassification, there are various restrictions in place where ESFA approval is now required.</p> <p>The Chair queried any additional time or cost involved given the amount of work being conducted and CM confirmed Alliotts are not anticipating significant changes to work planned.</p> <p>Regarding reclassification and transaction approvals, the VPCS confirmed the revised financial regulations are being circulated for Corporation approval and provided assurance that the DfE approval limits in place are well above what the College operates within its financial regulations. CM noted that the largest risk is where colleges have transactions which are deemed novel as there is no materiality. CM confirmed the College is relatively low risk.</p> <p>The Committee <b>Resolved</b> to <b>Endorse</b> the External Audit Plan for the year ended 31/7/2023.</p>
AUD 11/23	<p><b>5. Risk Management Report and Risk Register</b></p> <p>The VPCS reminded the Committee of the recommendation in the previous risk management internal audit and confirmed that the reporting format is being revised for 2023-24, including links to the strategic plan and KPI reporting. The Committee were taken through the key risks highlighted and actions in place to mitigate impact on the College.</p> <p>On attendance and achievement, the Principal provided reassurance and confidence that this will improve going forward with the change in curriculum design and introduction of the new study programme support staffing structure. Progress coaches will support students to overcome any barriers they are facing to ensure attendance and achievement. Recruitment to these roles has been positive and it is anticipated this will have a really positive impact on the student experience from September.</p> <p>In terms of recruitment, there is now a full complement of Curriculum Managers in place and recruitment to English staffing has also been strong. Construction and Business remains challenging (as it is for the sector) but overall the College is seeing increased recruitment which is encouraging. Particular factors in achieving this have included industry sector payments, new recruitment videos, the updated website application process and 'word of mouth' contacts generating interest.</p>

	<p>The Chair queried whether the estates strategy has affected student interest, particularly at Amersham Campus, and the VPCS confirmed this has not been seen yet. The College is conscious that recruitment messages for the 2024-25 intake need to be clear and transparent as that year will be impacted by moving campuses during their courses.</p> <p>The VPCS briefed the Committee on the changes in staffing within the IT department as this is a potential key risk. Plans are in place to ensure business continuity and the Executive team is reflecting on the most appropriate IT infrastructure for the College going forward.</p> <p>Query was raised and it was confirmed that risks arising from the new strategic plan will be included in the next report.</p> <p>The Committee <b>Resolved</b> to <b>Endorse</b> the Risk Management Report and Risk Register.</p>
AUD 12/23	<p><b>6. Any Other Business</b></p> <ul style="list-style-type: none"> <li>The VPCS and the Principal recorded their thanks to Alliotts and TIAA for their work and continued support.</li> </ul>
AUD 06/23	<p><b>7. Date of Next Meeting</b> 6<sup>th</sup> December 2023</p>

The Chair thanked all for attending and the meeting closed at 7.10pm.

**Approved as an accurate record of discussions: 6<sup>th</sup> December 2023**



Signed by Chair of Committee: