

**AUDIT COMMITTEE**

**Part One**

**DATE:** TUESDAY 9 NOVEMBER 2021

**PLACE:** Meeting held VIA ZOOM

**TIME:** 6.00pm.

**PRESENT:** Dr Andrew Gilchrist Chair of Audit  
 Mary Hughes Governor  
 Hilary Omissi Governor

**IN ATTENDANCE** Christine Ricketts, Principal & CEO  
 Sarah Glasspool, Executive Director of Finance, Resources & People Performance  
 Kevin Moloney, TIAA, Internal Auditors 21/22  
 Mike Cheetham, RSM Tenon, Internal Auditors 20/21  
 Katharine Patel, Buzzacotts, External Auditors  
  
 Natalie Watt (Clerk to the Corporation)

STANDING AGENDA ITEMS	Action By
<p>1. <b>Action in the Event of Fire</b>                      Meeting held via ZOOM.</p> <p>2. <b>Welcome &amp; Apologies for Absence</b></p> <ul style="list-style-type: none"> <li>• The Chair welcomed attendees to the meeting.</li> <li>• The Clerk confirmed that all those on line were able to fully participate in the meeting.</li> </ul> <p><b>Apologies</b>                      Nicholas Woolf.</p> <p>3. <b>Declarations of Interest</b>                      Dr Andrew Gilchrist declared that he is a Governor at Croydon College.</p> <p>4. <b>Notification of Any Other Business</b>  <b>COVID Update</b></p> <ul style="list-style-type: none"> <li>• The Principal &amp; CEO provided the Committee with an update on current absences and assured the Committee of the College’s continuing enforcement of all COVID safety measures. Members were informed that the College was reinstating the use of face masks in communal areas, in line with Surrey County Council’s guidelines for education institutions.</li> <li>• Members of the Committee were assured that all curriculum areas were ready to return to off-site teaching, if the situation deteriorated and this action was required. Noted.</li> </ul> <p style="text-align: right;"><b>Update RECEIVED.</b></p> <p>5. <b>Part One Minutes of the meeting held on 25 May 2021</b></p> <ul style="list-style-type: none"> <li>• The Chair noted that Item 6ii was more appropriate for Part 2 Minutes – The Clerk confirmed that this would be amended.</li> <li>• The Chair noted that Item 7iv required a slight edit to make sense. Noted.</li> </ul>	

- The Chair noted that under Item 8.2i that the minutes should reflect that the HR item was due to come to the next meeting. He also noted that the report was on the agenda for this meeting. Noted.
- The Chair requested that Item 11iii should be reworded for clarification. Agreed.
- Subject to the above amendments the minutes were APPROVED for signature by the Chair when circumstances permitted.

Minutes of the meeting **APPROVED.**

## 6. Matters Arising from the meeting on 25 May 2021.

- Item 8.3i - The Chair was advised that the narrative under Item 8.3i referred to as a matter arising, required correction. RSM Tenon noted that the report and fieldwork had been completed as agreed and sent to the Management Team for comment. Discussion followed on the process for clearing the report.
- Tenon confirmed that their audit opinion of partial assurance would not be changed. RSM Tenon acknowledged that further work completed post audit had not been taken in to account as evidence, as this had not been provided within the agreed timescales.
- It was agreed, following further discussion, that the Principal & CEO would circulate an update post meeting, having finalised the matter with RSM Tenon. Agreed.
- It was noted by RSM Tenon that this work fell outside of the closing of the contract and that the meeting would be the last conducted at a nil charge.
- It was agreed, that the matters arising would reflect that a draft report had been issued by the Auditors in June 2020. Noted.
- Item 9.2 – The Executive Director Finance, Resources and People Performance (EDFR&PP) confirmed that the Committee had been updated post meeting. Members were advised that a new asset management policy had subsequently been seen and approved by the Resources Committee.

Principal  
& CEO

Update **RECEIVED.**

## Items for Information, Discussion & Approval

### 7. 2020/21 Internal Audit Reports – Presented by RSM Tenon

Items discussed: (Minutes in the order taken)

#### 7.2 HR Review Audit

- Members were advised that the College appeared to have a robust approach to recruitment. There were some issues reported but standard good practice points had been clearly identified and evidenced.
- Discussion followed on the challenges facing the FE sector with regard to the recruitment of staff. Members queried how the College performed in terms of remuneration of staff within the sector? The EDFR&PP informed the Committee that the College remuneration was similar to other Colleges of a similar size.
- It was noted that the sector as a whole struggled to recruit to areas where the pay for professionally experienced staff in the commercial world outstripped the pay for teaching in areas of high demand. Members noted that this was particularly difficult in Engineering and Construction.
- The Chair noted that on page 4 there was reference to flexible working and queried how this need was met? The Principal & CEO informed Members that where practicable, flexible working was offered. However, there was an unavoidable need for lecturing staff to be on site during practical lessons.
- Members queried the comments on page 8 noting that 3/5 leavers referred to a lack of support by management. Discussion followed on the challenges facing the college in recent years and subsequent changes to staffing.

- RSM Tenon confirmed that any further analyses were seen as a management responsibility. The EDFR&PP advised that Committee that a new management structure was having considerable positive impact. Noted.
- The Chair queried whether exit interviews were conducted.
- The EDFR&PP confirmed that these took place, but that further consideration and review of the questions would be undertaken. Noted.
- Members discussed the new flatter management structure and the reference to progression opportunities. RSM Tenon confirmed that the system itself appears responsive to the needs of the College.

Exec. Dir.  
FR&PP

**Report RECEIVED.**

**The Chair of the Committee expressed his appreciation for the hard work, support and challenge RSM Tenon had provided to the College and the Corporation over the last few years.**

*RSM Tenon left the meeting at 18.47pm.*

**8. Internal Audit Outstanding Recommendations Tracker Report 2020/21-** Presented by EDFR&PP

Items discussed:

- Members of the Committee were reminded that this form of reporting had been adopted the previous year. The Committee commented on the helpfulness of the report.
- The Executive Director confirmed that a copy of the report had been provided to the new Internal Auditors, TIAA, who would be following up on the recommendations detailed in the report.
- The Executive Director, advised the Committee, that an outstanding action regarding the revaluation of the College assets had been further delayed.
- Members were informed that a plan was in place for the assets to be reviewed on a regular basis and this would be reported upon further in due course. Noted.
- Members discussed the Learner Number Systems Audit and were informed that significant progress had been made, but that the recommendations were not yet completed.
- It was further noted, that the key financial controls audit would be undertaken as part of the annual audits included in the TIAA contract.
- Discussion followed on the dates recorded in the tracker that had now passed without actions being completed. Members expressed their concerns over the coding of the risks and actions identified.
- Detailed discussions followed on the recommendations around Maths and English. The Principal & CEO assured Members that the actions identified have been included in the intervention programme.
- Members identified the need for the report to be amended to allow them to chart the progress against the outstanding recommendations. How this could be achieved was discussed, including striking off the recommendations and flagging them up in red when the target dates had now been achieved.
- It was agreed, that the SLT would propose new dates where slippage had been identified for the Committee to consider at their next appropriate meeting.
- The Principal & CEO thanked those present for their contributions.
- It was agreed that the report would be refined further following the feedback and a revised format used for the next report. TIAA confirmed that the report had been provided to them by the College.

Exec.Dir.  
FR&PP.

**Report RECEIVED**

**9. 2020/21 Internal Audit Plan – Presented by TIAA**

Items discussed:

- Members' attention as drawn to page 6 of the report. Members noted the risks identified for 2021/22.

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- Members were advised that page 4 of the report was for information only and identified the risks facing the FE Sector as a whole. Noted.
- TIAA also drew members' attention to Appendix D and the proposed plan on page 8. It was noted that the LNS audit referred to was to take place in June 2022 and would be a new audit and not a follow up on previous RSM Tenon work.
- Discussion followed on page 10 and the follow up audit.
- The Executive Director advised the Committee that an additional 7 days had been negotiated for the completion of LNS assurance work. Following discussion this was agreed by the Committee.
- The Chair sought agreement from the Committee that they were satisfied with the plans detailed on pages 6, 7 and 8 and the rolling cover proposed over a number of years. Members **APPROVED** the plan proposed.
- Members discussed feedback on the recent FE Commissioners stocktake visit.
- Members expressed their concern at the risks associated with the Development Project that had been highlighted at the stocktake. (Noting that these risks were not recorded in depth as part of the current risk register). Discussion followed on the methodology of the current risk register.
- Some Members emphasised their concerns that the associated development risks were not being flagged up as high, using the current system. Members were advised that the Chair of the Corporation and the Estates, Advisor and Consultant would be providing an update that would address these concerns, as part of their report to the Corporation, at the appropriate meeting.
- The Clerk to the Corporation confirmed that she had been advised that a committee/working group of Governors would be established as soon as possible, specifically to monitor and advise on the development project.
- It was noted, that part of the remit of the Committee/working group would be to monitor the detailed and specific risk management plan, that would be in place for the duration of the project.

TIAA

Estates  
Advisor &  
Consultant

**The Report was RECEIVED.**

*\*Noted that additional comments relating to Part 2 were presented to the Committee prior to departure. HO left the meeting at 19.11pm  
(Meeting continued and remained quorate).*

### 10. External Audit Plan for 2020/2021 – Presented by Buzzacotts.

Items discussed:

- Members noted the reports provided indicated the start of the annual audit for financial statements.
- Buzzacotts advised the Committee that the start date had to be pushed back to accommodate available resources. It was noted that completion by the agreed dates would be challenging. The College had agreed that the Audit visit would be undertaken virtually to help achieve this.
- It was further noted, that the additional audit of the RO14 referred to earlier, (the additional 7 days requested and approved), would in part be undertaken to provide additional assurance to Buzzacotts, that reliance could be placed on the ILR data provided.
- Buzzacotts welcomed this additional assurance and this was echoed by the Committee.

**The Report was RECEIVED and recommendations APPROVED.**

### 11. Risk Management – Presented by the EDFR&PP.

Items discussed:

- The Committee were informed that the plan reported to the Committee needed further review, by the SLT, (who formed the Risk Management Group (RMG)).

- The Chair queried the targets included in the plan and the colour coding in place. Discussion followed on the achievement rates, competition from other colleges and how these were recorded in the register.
- The Principal & CEO informed the Committee that these areas were actively and regularly reviewed by the SLT.
- Following discussion, it was noted that the climate agenda would also need to be included as an area of risk particularly, in relation to further work developing the College estate. Agreed.
- Members noted the sustainability agenda and its increasing national and local importance and visibility. The Principal & CEO informed the Committee that this had been discussed at the Search & Governance Committee.
- The Clerk to the Corporation advised the Committee that a role description was being developed and that an approach for a specific Governor to undertake the role of climate/sustainability champion was underway.
- Members of the Committee noted the continuing focus on Covid safe measures and the management of risk associated with this.
- Members also noted and briefly discussed the following:
  - Loss of key staff
  - The cash position over the next 12 months
  - The Learner Numbers System and associated funding risks
  - IT systems
  - Business Continuity Plans.

## 11ii Heat Map – Presented by the EDFR&PP.

Items discussed:

- The Committee was advised that further review and more work by the RMG was needed on this area and that it was anticipated that there would be further adjustments.
- Members challenged the Executive Director on the level of confidence held in the red risks identified.
- The Executive Director expressed her confidence in the mitigating factors identified which indicated how the risks would be managed.
- Following discussion, Members expressed some concern that the risks attached to Estates are sitting around the likely, rather than highly likely, section of the heat map.
- The Committee emphasised the need for vigilance around this area and a need for prudence and a cautious approach to mitigation factors given its potential impact.
- The Chair asked for confirmation of a completion date for the review to be completed. The Executive Director advised the Committee that it was anticipated that this would be completed prior to the next Corporation meeting.
- The Chair requested that should the completion date not be achieved that the report should record that it was a work in progress. Noted.

Exec. Dir.  
FR.&  
PP.

**Report RECEIVED.**

## 12. Audit Committee Self-Assessment – Presented by the Clerk to the Corporation.

Items discussed:

Following discussion, the following actions were agreed:

- The tense used in the report would be amended for accuracy to reflect has rather than had.
- f) Insertion of Financial Statements Audit (not Accounts) for clarity.

Clerk

Self-Assessment Report **RECEIVED** and **APPROVED**  
(subject to the above amendments).

## 13. Any Other business

Draft Audit Committee Annual Work Plan 2021/22.

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- The proposed plan was discussed by the Committee. The following changes were requested:
  - Line 4 remove the reference specific to RSM.
  - Reference to re-tendering to be removed as the contract process was completed in August 2020 and May 2021 respectively.
  - Remove comment 'If needed'.

Clerk

**Draft Work Plan APPROVED**  
(Subject to the above amendments)

## 14. Date of Next Meeting

### **Proposed 15<sup>th</sup> December 2021 at 3pm on site at Brooklands College**

- The Clerk to the Corporation advised the Committee that she had been asked to arrange an **additional Audit Committee meeting**. Following discussion, it was proposed that this meeting take place at **3pm on the 15<sup>th</sup> December 2021** (just prior to the Corporation meeting).
- The EDFR&PP informed the Committee that she hoped to be in a position to bring all 3 sets of Financial Statements Audit and Audit Committee Annual Reports for sign off to this meeting. However, the timetable for delivery of this is dependent on external organisations. It was agreed that the meeting would be required anyway in order to review the Post Audit Management Letter for the Audit of the Financial Statements for 2020/21. Buzzacotts confirmed that they would provide an on-site presence for the meeting.
- It was agreed that the EDFR&PP would keep the situation under review and confirm the agenda to the Chair of the Committee in due course.
- Wednesday 15<sup>th</sup> December 2021 at 3pm on site at Brooklands College (Just prior to the Corporation mtg).

Clerk

Exec.  
Dir.Fin,  
Res,&  
PPerf.

**Termly scheduled meeting - Tuesday 8 February 2022 at 6pm via ZOOM.**

Signed By: \_\_\_\_\_

Date: \_\_\_\_\_