

AUDIT COMMITTEE

Part One

DATE: TUESDAY 24th May 2022

PLACE: Meeting held VIA ZOOM

TIME: 6.00pm.

PRESENT: Dr Andrew Gilchrist Chair of Audit
Mary Hughes Governor
Paul Stedman Governor

IN ATTENDANCE Christine Ricketts, Principal & CEO
Sarah Glasspool, Executive Director of Finance, Resources & People Performance
Kevin Moloney, TIAA, Internal Auditors
Katharine Patel, Buzzacotts
Natalie Watt (Clerk to the Corporation)

STANDING AGENDA ITEMS	Action By
<p>1. Action in the Event of Fire Meeting held via ZOOM.</p>	
<p>2. Welcome & Apologies for Absence</p> <ul style="list-style-type: none"> • Rick Parish – Apologies • Nicholas Woolf - Apologies 	
<p>3. Declarations of Interest Dr Andrew Gilchrist declared that he is a Governor at Croydon College.</p>	
<p>4. Notification of Any Other Business COVID Update</p> <ul style="list-style-type: none"> • The Principal & CEO informed the Committee that two staff were currently off sick with Covid. The College continued to maintain high hygiene standards. However, all normal activity had now been resumed and other Covid restrictions such as the wearing of face masks had now ceased. <p style="text-align: right;">Update RECEIVED.</p>	
<p>5. Part One Minutes of the meeting held on 8th February 2022</p> <ul style="list-style-type: none"> • The minutes were APPROVED, subject to the correction of the minor typos identified at the meeting. <p style="text-align: right;">Minutes of the meeting APPROVED.</p>	
<p>6. Matters Arising from the meeting on 8th February 2022.</p> <ul style="list-style-type: none"> • Item 6 – Financial Statements - The Committee were advised that the Financial Statements were currently being prepared for signature on the 13th July 2022. However, this was dependent on a number of external factors and might be subject to further delay. • Item 8 – Internal Audit Reports – The Clerk confirmed that advance schedules for the delivery of reports to Governors had been circulated. • Item 8.3 – Recommendations Tracker Report – The format for the report had been updated. 	

- **Item 9** – Risk Management – TIAA confirmed that samples had been provided to the EDFR&PP. The Committee asked that the new format be trialled and submitted to them at the next meeting for feedback. Agreed.
- **Loss of key staff** – The EDFR&PP confirmed that this had been added to the Risk Register. Noted.
- **Item 13** – AOB – The Clerk confirmed that the terms of reference had been updated.

EDFR&PP

Update RECEIVED.

Items for Information, Discussion & Approval

7. Internal Audit Reports 2021-22 – Presented by TIAA

i) Internal Audit Progress Report & Recommendations Tracker

Items discussed:

- The Report was presented to the Committee. Attention was drawn to page 1 of the report and a survey on home working that was undertaken.
- The Committee noted that there was no specific survey undertaken within the Education section in relation to home working.
- Discussion followed on the particular challenges where the teaching of students was the primary function of the role. The Principal & CEO informed the Committee that the SLT continued to keep flexible working under review to ensure that the College was fit for purpose. It was noted that support services roles were more likely to have greater flexibility.
- Attention was drawn to page 3 and the executive summary. The Committee noted that the key financial controls audit received reasonable assurance.
- TIAA discussed the key strategic findings and the Committee noted the number and type of recommendations made in the report and agreed by management. The Chair of the Committee drew Members' attention to the timetable for actions columns for information.
- TIAA advised the Committee that page 8 detailed the operational effectiveness view of the system. It was noted that the comments made in this section referred to best practice and were for advice and information, not recommendations to be tracked.
- The Chair of the Committee sought confirmation that best practice advice would be incorporated into the new systems being introduced.
- The EDFR&PP confirmed that this would be done in due course following consideration of the need for the separation of duties within the small finance team. Noted.
- TIAA reviewed the Business continuity Audit and noted that this area had an audit opinion of reasonable assurance. The Committee noted the findings of the report.
- The Committee discussed page 12 of the report and the learner numbers audit.
- The EDFR&PP confirmed that the new MIS system was due to be audited. Terms of reference were currently being agreed with the Auditors.
- It was anticipated that the audit would take place in June 2022. The Committee were advised that the Auditors and the EDFR&PP were working closely together, to ensure that an efficient and effective use of College resources was achieved.
- The Committee were advised that the terms of reference for the wellness audit were also being finalised and would be issued shortly. Noted.
- The Committee drew attention to page 12 of the report where it was noted that there was a discrepancy in the arithmetic. TIAA confirmed that this would be corrected post meeting.
- Detailed discussion followed on how the outstanding recommendations were followed up. Members debated the merits of the current format. Following discussion, the Chair of the Committee requested that TIAA provides a mechanism for identifying which recommendations had been followed up. It was noted that some of the existing recommendations had been made by the

EDFR&PP

TIAA

previous Internal Audit firm but that these should be integrated by the end of the next academic year.

- The Principal & CEO confirmed that a number of the outstanding recommendations related to updating policies which would be done as part of the review cycle. The Principal & CEO advised the Committee that all appropriate policies were subject to review by the SLT.
- The Chair of the Audit Committee emphasised the need for the Committee to easily view those recommendations which remained outstanding. **TIAA agreed to review the format of the report further.**
- The Committee noted that on page 13 additional information would be helpful in understanding why dates for implementation had been amended. Members queried the robustness of the process if dates were changed to accommodate lack of delivery. TIAA informed the Committee that the recommendations referred to were from the previous Internal Audit firm and therefore implementation was a matter for the management team not the auditors.
- The Committee discussed the outstanding recommendations in detail and the risks associated with pushing back implementation dates. It was noted that the second recommendation implementation date had been moved to 2023.
- The Principal & CEO assured the Committee that there were no hidden risks. The date had been moved so that the recommendation could be dealt with as part of the Estates development.
- The Chair of the Committee sought reassurance that none of the proposed dates increased any risks to the College.
- The Principal & CEO and Executive Director of Finance, Resources & People Performance assured the Committee that all recommendations would be addressed, several as a result of the introduction of new MIS systems due to go live for the start of the next academic year.
- The Executive Director of Finance, Resources & People Performance confirmed that this was the reason for the scheduling of the MIS audit to ensure that any issues were identified early in the implementation programme. Noted.
- The Committee's attention was drawn to Appendix D and the general sector updates provided for information. Noted.
- The Chair of the Committee asked for the report to be reviewed for accuracy noting that the name of another College had been inserted in error.
- The Committee were informed that Appendix C was now linked to the management action plan. Noted.
- Page 10 of the report now contained tracking information as previously requested by the Committee and the date had been included on the front page. The Committee noted the changes and expressed their appreciation for the amended format.
- Detailed discussion followed on the challenges of maintaining a useful asset register. The Executive Director of Finance, Resources & People Performance explained the current process and the work undertaken to ensure that the Asset Register was fit for purpose and easy to maintain going forward.
- The Committee were informed that the new system being introduced over the Summer would provide the necessary structure to enable this to happen.
- It was anticipated that this would also be used by the external auditors as part of their audit of the financial statements. Noted.

TIAA

TIAA

Report RECEIVED.

a) Key Financial Controls Audit Report

- The Chair of the Committee drew attention to the timetable for actions. Members of the Committee noted that the Key Financial Controls Audit received reasonable assurance.

Report RECEIVED.

b) Business Continuity Audit Report

- Noted that an opinion of reasonable assurance had been given on the audit.
Report RECEIVED.

ii) Noted that the following Audit were as scheduled below:

- a) **Wellbeing** – May 2022.
- b) **New MIS System** – June 2022.
- c) **Follow Up Audit** – To be confirmed.

Report RECEIVED.

8. Office for Students - Presented by the Executive Director of Finance, Resources & People Performance.

Items discussed:

- The Principal & CEO summarised the letters and process. The Committee discussed the reasons for the errors identified originally.
- The Principal & CEO confirmed that errors in process had resulted in the submission going forward without additional checks.
- However, the system had been changed and new protocols established to ensure that this would no longer happen.
- The Committee were informed that the new Head of MIS had spearheaded the review and the SLT had confidence in the process.

Report RECEIVED.

9. Annual Audit Plan – Presented by TIAA.

Items discussed:

- The Committee's attention was directed to Appendix A, pages 3, 4 and page 5 and the detail provided.
- It was noted that the 4th column contained an old version of the risk register. The Committee were advised that this would be updated as soon as possible.
- The Executive Director of Finance, Resources & People Performance confirmed that Apprenticeships would need to be audited as part of the College's ongoing focus on this area.
- The Executive Director of Finance, Resources and People Performance informed the Committee that the introduction of new finance and payroll systems over the Summer would also flag these areas up as needing a specific focus.
- The Principal & CEO was asked about performance in Apprenticeships and discussion followed on the achievement data and position statement supplied as part of the FEC stocktake visit. The Principal and CEO confirmed that supportive intervention has had a positive impact in this area.
- Following discussion of the timing of the audits it was confirmed that an early audit of the implementation of the new systems would provide the most benefit to the College.
- The Committee discussed the range of cover provided in the audits noting that Risk Management was a key area for the college given the current situation and potential estates development.
- The Chair of the Audit Committee emphasised the need for a continued focus on delivery of a successful curriculum and the mission of the College, not just on core support functions. This view was endorsed by the Committee.
- **The Chair of the Committee therefore suggested that a programme of audits rotating across key areas of the curriculum should be introduced.** It was also acknowledged that additional areas, may need to be included following the FEC stock take visit.
- The Committee **APPROVED** the plan subject to the inclusion of curriculum areas for auditing.

Report RECEIVED Annual Audit Plan APPROVED (subject to the above).

TIAA

EDFR&PP

10. Audit of Financial Statements 2021-22 – Presented by Buzzacotts.

Items discussed:

Brooklands College

- The Executive Director of Finance, Resources & People Performance informed the Committee that the timetable for signing off the outstanding Financial Statements still focussed on this happening at the July Corporation meeting.
- Buzzacotts introduced the report and drew the Committee's attention to page 3 of the report and the service outlined.
- The Committee were advised that the timing of the audit of the accounts would be subject to some of the outstanding matters (relating to the previous 3 years' Accounts) being resolved. The plan proposed assumed that all outstanding matters were resolved.
- The Committee were informed that there were only minimal changes to the reporting framework.
- It was noted that the going concern opinion etc. would be dependent on the arrangements in place and how the technical accounting took place for previous years.
- Discussion followed on the covenants and loans.
- It was noted that page 10 showed low capital costs from the previous year in comparison to what was likely to come in the following year. It was noted that reliance would again be placed on additional work that would be undertaken by TIAA in relation to the ILR.
- Attention was drawn to the fees identified on page 15.

Report RECEIVED.

13. Risk Management – Presented by the Executive Director of Finance, Resources & People Performance.

Items discussed:

- The Executive Director of Finance, Resources & People Performance talked through the tabs presented in the spreadsheet.
- It was noted that the third tab detailed the specific risks associated with the development project.
- The Committee were assured that the risk management group had reviewed the register, progress notes and scoring in detail.
- The register would be reviewed again before the start of the new academic year.
- Discussion followed on the exams which had been flagged up as a risk. The Principal & CEO updated the Committee on challenges facing staff and students with undertaking exams after such a significant break.
- The Committee noted that this was an area of concern across all education sectors following the pandemic.
- The Chair of the Committee proposed that the Chair of the Corporation be asked to specifically review the Governance risks identified.
- **It was also agreed that the Clerk to the Corporation would be asked to review and update the mitigating factors in the report.**
- The Committee noted some typos in the report and it was agreed that it would be checked following the meeting.

Clerk

Report RECEIVED.

13. Any Other business

There was none

14. Date of Next Meeting

To be advised.

Signed By: _____

Date: _____