



**Minutes of the meeting of the Audit
Committee held via Zoom on Wednesday 17
March 2021 at 16:30**

Present: Lindy Stacey (Chair), Rob Nicholls, Maxine Padgham and Iain Springate

In attendance: Bill Blythe – Vice Principal Finance and Resources
Sean Mackney – Principal and Chief Executive
Claire Isaac – Head of Finance

Auditors: Adam George – Internal Auditors – RSM

Governance Advisor: Joanna Boardman

1. Apologies for Absence

Jenny Wallace
Mark Tibbert

2. Declaration of Interests

No declarations of pecuniary or non-pecuniary interests were made in respect of the items on the agenda.

3. Confidential Items

No items were considered to be confidential on the agenda

5. Minutes and Matters Arising

20AC10

The minutes of the meeting of the Audit Committee held on 24 November 2020 were confirmed as a true record. There were no matters arising not covered by the agenda.

6. Matters Brought Forward By the Chair

No business was brought forward by the Chair.

7. Progress Reports

20AC11

It was reported that the previous need for a subcontracting audit was not relevant this year and as an alternative it was requested that a staff absence audit was undertaken instead.

It was raised that if staff absence was relevant to an audit should it be more highly rated on the risk register and this will be taken back to the College.

A discussion was held around what classifies as absence and the effective utilisation of staff contracts.

A question was raised around any outstanding actions from previous audits outstanding and the only items were around audit monitoring which will instead be moved in the learner numbers audit later in the year.

The request was approved by the Committee

8. Internal Audit Reports

20AC12

The audit process and results were presented to the committee by the Vice Principal Finance and Resources and RSM. It was confirmed that the Curriculum Planning Audit is in final draft and not yet available for full reporting. The Core Financial Control report and Follow up reports had been finalised and were presented.

RSM reported that in the Financial Controls Audit that there were:

- 2 areas rated as minor
- 1 area rated as medium around Supplier Bank Details and to ensure that checks were made, where changes to details were requested, to verify that it was a genuine request from the supplier
- There were incidences of invoices being received where no purchase orders had been raised. This had increased with the difficulties around remote working however it was agreed that the College would take forward an action to improve the control mechanisms.

RSM also provided two additional briefings for the Board and College around determining risk appetite and looking at common high priority actions across the sector.

The reports and recommendations were approved by the Committee

9. College Audit Monitoring Report

20AC13

The Vice Principal Finance and Resources presented the College Audit Monitoring Report and apologies for lack of detail in the covering report were noted.

The report details 39 actions (at the last report to the committee this was 36), the increase was as a result of the Internal Audits.

6 have been fully completed and signed off by RSM in their follow up, leaving 33 to be reported on. 26 were fully completed and 7 were in progress.

The Committee raised concerns that the slippage dates may not be far enough out to complete the actions or actions still outstanding had not been mitigated sufficiently between meetings to assure the Committee that they would be completed to the new schedule.

Whilst the COVID impact was noted in the staff ability to complete some actions the Committee would still want to see more control on the actions and dates by the next meeting. It was agreed to RAG rate the actions to enable a clearer view at Committee.

Action: RAG rate the College Audit Monitoring Report

10. KPIs

20AC14

The Principal and CEP reported that the progress to date was not as originally hoped for in developing the Tier 2 and Tier 3 KPIs as a number of teams were experiencing difficulty in identifying relevant indicators. Work has been started to support colleagues in this activity including a 2 hour session with the College Management Team at the end of March 2021.

The Committee were supportive of this approach and understood the complexity of the work.

The committee suggested that working directly in groups can be extremely useful and that working with colleagues to find indicators that add value rather than just collect numbers is important. Calculating the cost of the data you are collecting can lead you to the right approaches.

11. Strategic Risk Monitoring and Board Assurance

20AC15

The Vice Principal Finance and Resources presented the Risk Monitoring report where 53 risks still reside on the register and 4 had seen a reduction in the residual risk score.

The next stages in the development of the operational and strategic risk registers were discussed and the committee questioned that large number of risks still sitting on the register. Advice was offered in how to best engage with colleagues to encourage confidence in handling risk reduction.

Of the four action points from the last meeting one was still outstanding

- Change the term “significant” to “severe” to indicate the highest level of risk

This will be taken forward for the next meeting

A note was made that emerging risks had been asked to be included in the covering report when presenting to the committee. An emerging risk column had been added to the register, but no risks had been identified as yet so no commentary was added. This would be in the future where needed

The committee accepted the strategic risk register and the next steps around condensing the report, mitigating further risks and separating the Strategic Risk Register from the Operational risks.

12. Business Continuity Report

20AC16

The report was submitted to the Committee and no questions or amendments were made. The report was accepted.

The Auditors withdrew from the meeting

13. Contractual Arrangements for External (Financial) Audit Service 20AC17

The Proposal was accepted.

Date of next meeting 30th June 2021