

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
 THURSDAY 3 DECEMBER 2020 AT 4.00 PM
 VIA MICROSOFT TEAMS VIDEOCONFERENCING**

Present:	Mr Graham Cooper	Chair
	Mrs Chris Palmer	Vice Chair
	Mr Gordon Pownall	Member
	Dr Nick Sinnamon	Member
In Attendance:	Mrs Debbie Lavin	Principal
	Mrs Tracy Bull	Director of Finance & Curriculum Planning
	Mr Brian Bowker	Clerk to the Corporation
In Attendance (External):	Ms Melanie Weston	Southern Internal Audit Partnership
	Ms Frances Millar	RSM UK Audit LLP
Apologies:	Mrs Sharon Whiten	Co-optee
	Mr Peter Thompson	Assistant Principal

		<u>ACTION</u>
43/2020	DECLARATIONS OF INTEREST There were no declarations of interest.	
44/2020	APPROVAL OF THE NON-CONFIDENTIAL MINUTES OF THE MEETING OF 14 OCTOBER 2020 <u>With one amendment, that Christine Palmer left the meeting following item 37/2020, the minutes were approved as a true record of the meeting.</u>	
45/2020	MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 14 OCTOBER 2020 It was noted that two of the three matters arising had been addressed. The Chair provided an explanation for the deferring of the pending item.	
46/2020	INTERNAL AUDIT PLAN UPDATE The internal audit representative provided an update on progress with the plan and said that following a review of FE sector irregularities regarding 'European funding', it was suggested that this should replace 'quality management' in the plan, given that the latter was a lower risk area for the College. <u>The Committee CONSIDERED the plan and APPROVED the recommended revision.</u>	
47/2020	INTERNAL AUDIT SERVICE ANNUAL REPORT 2019/2020 The Chair highlighted the value of having documents on line as they can easily be referred back to. The internal audit representative commenced by thanking College staff who were very professional and helpful when assisting with the final audit, during very difficult circumstances. Referring again to other FE college issues and irregularities, she said the audit team had been asked by the College to conduct a particularly challenging	

	<p>and robust audit of the vulnerable areas. Therefore the positive audit opinion represented a very good outcome for the College.</p> <p>Members thanked the College staff for their swift response to areas for attention identified in the report.</p> <p>It was noted that the decision to defer the IT security audit, due to Covid 19, had been approved by the Chair.</p> <p><u>The Committee CONSIDERED the report.</u></p>	
48/2020	<p>ANNUAL REPORT OF THE AUDIT COMMITTEE 2019/2020</p> <p>A Member recommended some additional evidence to strengthen the report and pointed out an inaccuracy in a date. The Director agreed to address this and incorporate the additional evidence.</p> <p><u>The Committee RECOMMENDED the annual report of the Audit Committee to Corporation for APPROVAL subject to the above amendment and additions</u></p>	TB
49/2020	<p>COLLEGE ACCOUNTING POLICIES</p> <p><u>The Committee CONSIDERED the report and RECOMMENDED the accounting policies for APPROVAL by Corporation</u></p>	
50/2020	<p>STATEMENT OF INTERNAL CONTROL AND CORPORATE GOVERNANCE</p> <p><u>The Committee CONSIDERED the report and RECOMMENDED it to Corporation for APPROVAL</u></p>	
51/2020	<p>2019/2020 DRAFT FINANCIAL STATEMENTS</p> <p><u>The Committee RECOMMENDED the draft financial statements to Corporation for APPROVAL</u></p>	
52/2020	<p>FINANCIAL STATEMENTS MANAGEMENT LETTER</p> <p>Members were reminded that the management letter addresses the key findings from the external audit, including recommendations for process improvements, potential accounts adjustments etc.</p> <p>The external audit representative informed members that, despite the scope of the work being significantly expanded, from a regularity perspective, the external audit team have no concerns and no negative issues. She took Members through the report and drew attention to some recommendations, for example, on controls and concluded by thanking all the College finance team for their excellent work in managing a remote audit.</p> <p>A question was asked regarding registering with the Office for Students and the Principal responded in detail.</p> <p>The Chair thanked the external auditor for the report and said that, without being complacent, he drew comfort from it. He commented that the 'emerging issues' section of the report was particularly helpful and asked the Clerk to circulate it to all governors.</p> <p><u>The Committee CONSIDERED the report.</u></p>	Clerk

53/2020	<p>LETTER OF REPRESENTATION <u>The Committee CONSIDERED the report and RECOMMENDED it to Corporation for APPROVAL</u></p>	
54/2020	<p>EDUCATION AND SKILLS FUNDING AGENCY FINANCE RECORD Members were reminded that the finance record must be completed and issued to the ESFA before the 31st January 2021. It is prepared alongside the financial statements for the College and must be reviewed and agreed by Corporation.</p> <p>Members considered the finance record and it was noted that some updates will be required prior to it being submitted to Corporation. Questions were then asked about the ESFA finance categories Good/Outstanding and what the specific criteria were for the two categories and what, if any, were the benefits of being in the outstanding category. The Principal responded in detail and said that the College was likely to remain in the good category, given the current loan arrangements. She added that colleges in the outstanding category may be slightly disadvantage in terms of ESFA financial assistance.</p> <p><u>The Committee CONSIDERED the report and RECOMMENDED it to Corporation for APPROVAL</u></p>	
55/2020	<p>SELF-ASSESSMENT QUESTIONNAIRE FOR REGULARITY AUDIT A Member recommended some amendments to duplicated items and suggested some additional items of evidence to strengthen the SAQ and the Director of Finance and Curriculum Planning agreed to include them.</p> <p>The Chair observed that when cross referenced to the annual report it highlights the amount of work undertaken by the finance team.</p> <p><u>The Committee CONSIDERED the report and RECOMMENDED it to Corporation for RATIFICATION</u></p>	TB
56/2020	<p>DISCUSSION WITH AUDITORS WITHOUT MANAGEMENT PRESENT (IF REQUIRED) No discussion required.</p>	
57/2020	<p>DELAMITES LIMITED: FINANCIAL STATEMENTS 2019/2020 The external audit representative reminded Members that the audit team carry out a separate audit of Delamite and no issues have been identified.</p> <p>The Chair asked whether, given that the College accounts are so buoyant, a review of current arrangements should be undertaken. The Director and the Principal reminded Members that a detailed investigation had been undertaken three years ago and the recommendation had been to maintain the status quo. A Member asked whether the director's list had been updated and the meeting was informed that this was currently being finalised.</p> <p><u>The Committee RECOMMENDED the Delamite Limited accounts 2019/20 to Corporation for APPROVAL</u></p>	TB
58/2020	<p>DELAMITES LIMITED: LETTER OF SUPPORT <u>The Committee RECOMMENDED the letter of support of Delamite Limited to Corporation for APPROVAL</u></p>	

59/2020	<p>ANY OTHER BUSINESS</p> <p>There were no items of any other business but the Chair thanked the internal and external audit representatives and the College finance team for their excellent work during a very challenging year.</p>	
60/2020	<p>DATE OF NEXT MEETING</p> <p>Wednesday, 3 March 2021, 4.00pm – 5.30pm, PG11.</p>	

Date: _____ Chair: _____

<p>MISSION STATEMENT Putting Students First Working with Employers Supporting our Community</p>
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