

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON**  
**WEDNESDAY 3 MARCH 2021 AT 4.00 PM**  
**VIA MICROSOFT TEAMS VIDEOCONFERENCING**

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

		<u>ACTION</u>
<b>1/21</b>	<b>DECLARATIONS OF INTEREST</b> There were no declarations of interest.	
<b>2/21</b>	<b>APPROVAL OF THE NON-CONFIDENTIAL MINUTES OF THE MEETING OF 3 DECEMBER 2020</b> The minutes were approved as a true record of the meeting.	
<b>3/21</b>	<b>MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 3 DECEMBER 2020</b> It was noted that all matters arising had been addressed or would be dealt with at the appropriate time in the academic year.	
<b>4/21</b>	<b>INTERNAL AUDIT REPORT 2020/2021 – VISIT 1</b> The internal audit representative took Members through the report and reminded them that the areas covered were; staff utilisation; ALS and work placements. Of the three areas audited, one received Reasonable assurance (work placements) and two received Substantial assurance (staff utilisation, ALS).  Members congratulated the College on a very positive report and a question was then asked regarding the list of “key observations” on pages 3/4 and whether they should have been included in the recommended actions column. The internal audit representative apologised and agreed that they should have been.  The Chair commented that he was reassured by the actions taken listed in the report and he concluded by asking if there were any significant issues that the Audit Committee should be concerned about. The internal audit representative confirmed that there were no significant issues or areas of concern.  <u>The Committee CONSIDERED the report.</u>	<b>IA</b>

<p><b>5/21</b></p>	<p><b>COLLEGE RISK REGISTER</b></p> <p>The Assistant Principal (Finance &amp; Resources) said that the latest review of the register had been completed in January 2021. The leadership team had considered emerging issues for the sector as detailed in the Autumn 2020 document issued by RSM Tenon. This review document accompanied the management letter provided at the conclusion of the final audit of College accounts presented at the December 2020 Audit Committee. He added that the most significant change to the register was its reorganisation to reflect the new strategic plan and follow the same sequential pattern of the plan. The latter action was fully endorsed by the committee.</p> <p>The Chair asked a question about Erasmus funding and the Assistant Principal said that a decision had been made early in lockdown to withdraw international income and expenditure from financial planning (in fact financial planning had been calculated both with and without Erasmus funding). The Director of Finance then explained the finance/funding timings and the Principal added that there are only two years left of the scheme, prior to the introduction of the government’s replacement scheme.</p> <p>A Member suggested a change to the word “every” to “each” to reflect the strategy discussion at Corporation where Members agreed that the first strategic priority should be to “Grow each student’s life opportunities” as it was felt that this was more personable than “every”. Members agreed that it was important to review the section detailing additional controls that might further mitigate the risk and/or strengthen either the Board assurance or existing controls framework.</p> <p>A new Committee Member said that she has worked in the public sector for a long time and was very impressed with the high quality of the College’s risk register.</p> <p><u>The Committee CONSIDERED the report.</u></p>	<p><b>PT</b></p>
<p><b>7/21</b></p>	<p><b>RISK MANAGEMENT POLICY REVIEW</b></p> <p>The Assistant Principal (Finance &amp; Resources) said that the College risk management processes were reviewed fully in 2014/15 and the College adopted the risk management framework as set out in the Baker Tilly document, “Board Assurance: A Toolkit for FE Colleges”. During the last three year plan for internal audit, risk management was given Substantial assurance.</p> <p>The Assistant Principal said that the risk management policy presented for review, details the processes of review and the responsibilities and remits of the people involved and the scope of, and monitoring of, the risk for the College. He added that no changes to the policy have been made since its last review.</p> <p>A Member suggested that on page 4 of the policy a reference should be included regarding the Audit Committee monitoring the risk register as a standing item at all meetings. The Assistant Principal agreed to do this.</p> <p><u>The Committee APPROVED the Risk Management Policy.</u></p>	<p><b>PT</b></p>
<p><b>8/21</b></p>	<p><b>AUDIT ISSUES LOG</b></p> <p>The Assistant Principal (Finance &amp; Resources) reminded Members that the log is not a mandatory requirement but is provided to the Committee to ensure action points recommended by auditors are being implemented in a prompt and effective manner.</p>	

	<p>He said that the report includes the identified issues and actions arising from audit visits up to internal audit visit 1 in 2020/21. He said that all outstanding action points carried over from the previous report on the Audit Issues Log have also been updated. The internal audit of IT security (visit 3 from 2019/2020) has now been produced and will be added to the Audit Issues Log for the next meeting, when draft responses will have been produced.</p> <p>The Chair asked a question regarding the timing of the Business Continuity Plan. The Assistant Principal said that the plan had been rigorously tested during the COVID-19 pandemic and the plan will now be revised based on lessons learned during the management of the College (staff, students and estate) during the pandemic.</p> <p>The Principal said that the College will not run any more scenarios but will seek to develop a summary of action to be taken and the relevant support agencies to be contacted during a crisis. A Member suggested that the College should consider an “action cards” process.</p> <p>The Chair thanked the Assistant Principal and his staff for the ongoing commitment to address audit issues in a timely manner.</p> <p><u>The Committee CONSIDERED the report.</u></p>	
9/21	<p><b>REVIEW OF PERFORMANCE OF THE FINANCIAL STATEMENTS AUDITORS</b> <i>(Confidential)</i></p>	
10/21	<p><b>GDPR DATA BREACHES</b></p> <p>Members considered the report which detailed all known data breaches that have occurred since the last report to the Audit Committee. There have been two identified data breaches, both due to human error and deemed to be of minor risk.</p> <p>The Chair commented that it was very positive that the individuals concerned had voluntarily drawn attention to their error.</p> <p><u>The Committee CONSIDERED the report.</u></p>	
11/21	<p><b>ANNUAL REVIEW OF CONTRACTS: BANKING/LEGAL/INSURANCE/CATERING/ CLEANING</b></p> <p>The Assistant Principal (Finance &amp; Resources) said that the report has evolved to capture details of all high value contracts within the College, particularly renewal dates. Of critical concern was the Aramark contract, due for renewal in July 2021, which will be challenging. The Assistant Principal said that the options were either to undertake a complex tendering exercise or seek an extension to the contract. A Member commented that the crucial determining factors should be value for money, the quality of provision and ensuring compliance with College financial regulations.</p> <p>Members noted that in the view of senior staff, Aramark have provided the best service and received the most positive student survey feedback of all previous catering suppliers. The Assistant Principal said that he would welcome approval to negotiate with Aramark for a one year extension.</p> <p>The Principal asked the Assistant Principal to meet with Aramark representatives to ascertain their plans regarding continuing the catering contract with the College.</p>	

	<p>Following that meeting, and given Aramark’s commitment to continue working with the College then an extension to the contract should be sought.</p> <p><u>The Committee CONSIDERED the report and, subject to a positive commitment from Aramark to continue working with the College, RECOMMENDED an extension to the contract to Corporation for APPROVAL.</u></p>	
<b>12/21</b>	<p><b>ANY OTHER BUSINESS</b></p> <p>The Chair of the Audit Committee thanked Members for their attendance at the meeting and stressed that the meetings proceed so smoothly and effectively because of the quality of the papers and thanked all relevant staff for their contribution. He concluded by suggesting that there may be a possibility of holding the next meeting on 9 June 2021 on the College site.</p>	
<b>13/21</b>	<p><b>DATE OF NEXT MEETING</b></p> <p>Wednesday, 9 June 2021, 3.00pm – 4.30pm, PG11.</p>	

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

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