

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON  
 WEDNESDAY 13 OCTOBER 2021 AT 12.00 PM  
 VIA MICROSOFT TEAMS VIDEOCONFERENCING**

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| <b>Present:</b>                  | Mr Graham Cooper    | Chair  |
|                                  | Mrs Chris Palmer    | Vice Chair   |
|                                  | Dr Nick Sinnamon    | Co-optee   |
|                                  | Mrs Sharon Whiten   | Co-optee   |
| <br>                             |                     |  |
| <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  |
| <br>                             |                     |  |
| <b>In Attendance (External):</b> | Ms Karen Shaw       | Southern Internal Audit Partnership                        |
| <br>                             |                     |  |
| <b>Observer:</b>                 | Mr Roland White     | Assistant Principal (Students, Teaching & Learning and HR) |
| <br>                             |                     |  |
| <b>Apologies:</b>                | Mrs Jessica Garbett | Member   |
|                                  | Mr Gordon Pownall   | Member   |

The Chair thanked everyone for attending the first meeting of the new academic year, with particular thanks to Dr Nick Sinnamon attending his first meeting as a co-optee.

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| <b>33/21</b> | <b>DECLARATIONS OF INTEREST</b><br>There were no declarations of interest.   |               |
| <b>34/21</b> | <b>APPROVAL OF THE NON-CONFIDENTIAL MINUTES OF THE MEETING OF 9 JUNE 2021</b><br>The minutes were approved as a true record of the meeting.  |               |
| <b>35/21</b> | <b>MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 9 JUNE 2021</b><br>It was noted that the Director of Finance & Curriculum Planning will include a reference to the financial authorisation limits of the Capital Committee in the Financial Regulations. With regard to the Terms of Reference, the Clerk said that he would update the current terms, in light of the current Joint Audit Code of Practice.<br><br>The Vice Chair of the Committee suggested that it should be noted that it is not just the Chair and Vice Chair of the Audit Committee who are involved in the adoption of the accounts but all Members of the Corporation have sight of them and it should be logged that they all have the opportunity. | <b>TB</b>     |
| <b>36/21</b> | <b>ESFA FUNDING ASSURANCE REVIEW REPORT</b><br>The Principal reminded Members that this audit is a voluntary audit contracted by the College but this year there had been a need to engage a different external audit  |               |

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|                     | <p>team (KPMG). Subsequently the ESFA had also placed a requirement on all colleges to additionally engage their external auditors, in the College’s case RSM Tenon, to conduct a funding audit, prior to signing off the annual College Financial Statements.</p> <p>It was noted that a number of compliance issues were identified in respect of the accuracy of learning start dates, actual end dates and learner status. The College is currently addressing this.</p> <p>The Vice-Chair asked if RSM Tenon will accept KPMG’s understanding of the tutorial hours and the Principal responded that that was likely.</p> <p>The Chair concluded by saying that he was reassured by the positive audit outcomes but it was important not to become complacent when positive outcomes are regularly achieved by the College.</p> <p><u>The Committee CONSIDERED the report.</u></p>   |  |
| <p><b>37/21</b></p> | <p><b>COLLEGE BOARD ASSURANCE FRAMEWORK: RISK MANAGEMENT ANNUAL REPORT</b></p> <p>The Assistant Principal (Finance &amp; Resources) took Members through the report and informed them that in 2020/21, a small number of risks were removed from the risk register and others were considered and added.</p> <p>The Chair thanked the Assistant Principal and said that there were no surprises and the report provided a clear and logical overview of progress.</p> <p><u>The Committee CONSIDERED the report.</u></p>  |  |
| <p><b>38/21</b></p> | <p><b>COLLEGE RISK REGISTER UPDATE</b></p> <p>The Assistant Principal (Finance &amp; Resources) said that the latest review of the register had been completed in September 2021. The leadership team had considered all risks to enable them to make recommendations regarding those that might be removed and new risks that might be included.</p> <p>An extensive range of new and emerging risks were discussed by the senior team and, following this, five new risks were added to the register. The Assistant Principal concluded by stating that the range and complexity of the current capital projects is an area that requires careful monitoring, given the associated risks.</p> <p>The Chair asked a question regarding changes in labour market supply leading to vacancies being unfilled. He asked whether this is a current issue or one being forecast for the future. The Principal said that this is a current issue, particularly in relation to Learning Support Assistants, given the level of their pay and range of responsibilities. However, she said that the indications are that the FE sector is being negatively impacted in a wide range of occupational areas.</p> <p>The Vice Chair noted that the risk had reduced for the College regarding its international strategy but asked whether overall student travel options are “opening up”. The Principal responded that the College is monitoring progress and opportunities in a number of travel options.</p> <p>A question was asked regarding 2.6, the recruitment forecast, and the Principal said that student recruitment numbers are slightly down but a number of students have</p> |  |

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|              | <p>yet to complete their formal registration. She added that the College will broadly meet its allocation but not market share. The Principal commented that the teach assessed grades (TAGs) may have resulted in more students having the results to stay in their sixth forms. She added that not holding an open day last year, students staying on in school and concerns that students may drop out of school at a later stage in the year were issues being addressed by the College.</p> <p><u>The Committee CONSIDERED the report.</u></p>  |              |
| <b>39/21</b> | <p><b>INTERNAL AUDIT – VISIT 3 REPORT</b></p> <p>Members were reminded that the report covers the internal audit remaining visit 3 report for 2020/21, covering Management, which received a Reasonable assurance. Additionally, the visit 2 report for International has now been received and also received a Reasonable assurance. Finally, the concluding visit 3 report for 2019/20 on Cyber Security has been received, with Reasonable assurance.</p> <p>The internal audit representative took Members through the report and the Chair commented that it was unusual to receive 'reasonable' assurance, but having read through the detail of the report, is understandable.</p> <p>A lengthy discussion took place regarding the monitoring and updating of College policies. The Assistant Principal (Finance &amp; Resources) said that important policies (Health &amp; Safety, Student Fees, Financial Regulations, Governor Compliance) are presented to Corporation for approval but sub policies are not. The internal audit representative suggested that the College could consider the Audit Committee receiving an annual report on policy renewal and progress.</p> <p><u>The Committee CONSIDERED the report.</u></p> | <b>Clerk</b> |
| <b>40/21</b> | <p><b>AUDIT CODE OF PRACTICE</b></p> <p>Members noted the 19 changes identified in the Post 16 Audit Code of Practice 2020/21 and that they have all been considered by the Clerk, the Assistant Principal (Finance &amp; Resources) and the College's Director of Finance &amp; Curriculum Planning. They were informed that the changes have been noted, considered and where necessary action has, or will, be taken to ensure compliance.</p> <p>A question was asked regarding the ESFA's sub-contracting standard and the introduction of independent assurance reports and whether the College will arrange for these reports or whether they will be initiated by the ESFA. The Principal said that the expectation is that the College will be audited via ESFA systems.</p> <p><u>The Committee CONSIDERED the report.</u></p>   |              |
| <b>41/21</b> | <p><b>AUDIT ISSUES LOG</b></p> <p>The Director of Finance &amp; Curriculum Planning said that the College has updated issues from the last visit and added issues from the latest audit. Expenses issues are now complete and the out of date areas, like apprenticeships and work placements, are currently being addressed.</p> <p><u>The Committee CONSIDERED the report.</u></p>   | <b>TB</b>    |
| <b>42/21</b> | <b>ANNUAL FRAUD REPORT</b>   |              |

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|              | <p>Members noted that during 2020/21 there were two related instances of potential fraud, covering speeding tickets received from the Metropolitan Police purporting to be for a car owned by the College.</p> <p>The Chair asked if the College was still receiving rogue emails purporting to be from the Chair of the Corporation and the Director of Finance &amp; Curriculum Planning said that it was not.</p> <p><u>The Committee CONSIDERED the report.</u></p> |  |
| <b>43/21</b> | <b>STAFF REWARDS 2020/21 REPORT (<i>Staff and Student Confidential</i>)</b>   |  |
| <b>44/21</b> | <p><b>REVIEW OF REGISTER OF INTERESTS AND DECLARATION OF ELIGIBILITY</b></p> <p>It was noted that the Register of Interests and Declarations of Eligibility have been updated and received. It was noted that there are no material conflict of interests.</p> <p><u>The Committee NOTED the report.</u></p>  |  |
| <b>45/21</b> | <p><b>GDPR DATA BREACHES</b></p> <p>The Assistant Principal (Finance &amp; Resources) notified Members that there had been one recognised GDPR breach and this had been addressed. The Chair asked whether this incident was self-reported and wondered how many possible breaches went unreported.</p> <p><u>The Committee NOTED the report.</u></p>   |  |
| <b>46/21</b> | <p><b>ANY OTHER BUSINESS</b></p> <p>The Chair commented that the high quality of the papers makes the meeting function smoothly and thanked the various authors.</p>  |  |
| <b>47/21</b> | <p><b>DATE OF NEXT MEETING</b></p> <p>Wednesday, 1 December 2021, 4.00pm – 6.00pm, room A34.</p>  |  |

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

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