

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON**  
**WEDNESDAY 1 DECEMBER 2021 AT 4.00 PM**  
**VIA MICROSOFT TEAMS VIDEOCONFERENCING**

<b>Present:</b>	Mr Graham Cooper	Chair
	Mrs Chris Palmer	Vice Chair
	Dr Nick Sinnamon	Co-optee
	Mrs Jessica Garbett	Member
	Mr Gordon Pownall	Member
<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 Karen Shaw	Southern Internal Audit Partnership
	Ms Frances Millar	RSM UK Audit Limited

The Chair welcomed the internal and external audit representatives and Jessica Garbett to her first meeting following re-appointment. He also noted that Sharon Whiten had stood down as a Co-optee on the Committee due to personal circumstances and thanked her for her contribution over the last two years.

		<u>ACTION</u>
<b>48/21</b>	<b>DECLARATIONS OF INTEREST</b> There were no declarations of interest.	
<b>49/21</b>	<b>APPROVAL OF THE NON-CONFIDENTIAL MINUTES AND STAFF AND STUDENT CONFIDENTIAL MINUTES OF THE MEETING OF 13 OCTOBER 2021</b> The minutes were approved as a true record of the meeting.	
<b>50/21</b>	<b>MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 13 OCTOBER 2021</b> It was noted that all matters arising had been addressed.	
<b>51/21</b>	<b>INTERNAL AUDIT PLAN UPDATE</b> The internal audit representative presented the internal audit plan for 2021/22 and said that there had been no changes since the draft was considered by the committee in June 2021. Members noted that the plan includes capital project planning and management, and evaluation of visit 1 of the academic year, which will incorporate audit of the recent FECA grant.  A Member commented that the revisions were very appropriate and reflected the key areas of activity for the College. They then asked if the auditors were comfortable with the 42 days allocated to the audits, and were reassured that they were. A Member asked if the Corporation has to approve the internal audit charter and, if so, when. The internal audit representative said that it is reviewed annually alongside the internal audit plan and as such is approved at the same time.	<b>T</b>

	<p><u>The Committee APPROVED the internal audit plan and internal audit charter for 2021/22.</u></p> <p>Gordon Pownall joined the meeting at this point.</p>	
<b>52/21</b>	<p><b>INTERNAL AUDIT SERVICE ANNUAL REPORT 2020/21</b></p> <p>The internal audit representative presented the internal audit report for the year ended 31 July 2021. She reminded Members that, although not mandatory, the College chose to commission an internal audit service that complies with public sector internal audit standards. Regarding the audit outcomes, she said that of the 11 areas reviewed, seven received Substantial assurance, four were considered Reasonable and none were deemed Limited or No Assurance. Regarding follow-up work, significant progress has been made in addressing issues raised and where weaknesses have been identified or improvements recommended, actions have been swift and the internal auditors have reported that “action plans have been implemented”.</p> <p>A question was asked for clarification regarding the number of areas audited and the Director of Finance &amp; Curriculum Planning was asked to make an amendment on page 2 of the report.</p> <p>The Chair thanked the internal audit team for their work and the College staff involved in supporting the audits.</p> <p><u>The Committee CONSIDERED the report.</u></p>	<b>TB</b>
<b>53/21</b>	<p><b>ANNUAL REPORT OF THE AUDIT COMMITTEE 2020/21</b></p> <p>The Chair introduced this item and said that it reflected the significant amount of work undertaken by the College during the last year. He drew attention to a few amendments that needed to be addressed prior to finalising the report.</p> <p>A question was then asked whether a reference was required in the report to sub contracting and the Clerk agreed to liaise with the Director of Finance &amp; Curriculum Planning/Deputy Principal to incorporate a reference if required.</p> <p><u>The Committee RECOMMENDED the report to Corporation for APPROVAL.</u></p>	<b>Clerk/TB</b>  <b>Clerk</b>
<b>54/21</b>	<p><b>COLLEGE ACCOUNTING POLICIES</b></p> <p>The Director of Finance &amp; Curriculum Planning took Members through the report and reminded them that the accounting policies are used to prepare the accounts and are included in the notes to the financial statements.</p> <p>A Member welcomed the level of assurance around the “going concern” provided by the policy data. Clarification was then sought on subsequent expenditure on existing fixed assets. This relates to where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.</p>	<b>TB</b>

	<u>The Committee RECOMMENDED the College accounting policies to Corporation for APPROVAL.</u>	
55/21	<p><b>STATEMENT OF INTERNAL CONTROL AND CORPORATE GOVERNANCE</b></p> <p>Members noted that there were very few updates in this annual statement. A Member then suggested that the following could be added to the statement; at 1.5 the Annual Review of Governance and at 8.4.1 The Audit Committee.</p> <p><u>The Committee CONSIDERED the report.</u></p>	BB/TB
56/21	<p><b>2019/20 DRAFT FINANCIAL STATEMENTS</b></p> <p>The Director of Finance &amp; Curriculum Planning reminded Members that this was still a draft document and then outlined the current financial position.</p> <p>A Member congratulated the College on the excellent work undertaken to achieve the current financial position. In response to a question, the external audit representative said that the College had generally fared well compared to other colleges and is probably ahead of many others in the sector. The Chair asked the Director of Finance &amp; Curriculum Planning to circulate her excellent summaries to all Members of the Audit Committee (<i>BB to liaise with TB...addendum to accounts cover sheet ?</i>).</p> <p>The Vice Chair of the Audit Committee informed the meeting that the Chair of Corporation will be unable to attend the December 2021 Corporation meeting and therefore a resolution will be required recommending that the Chair signs the accounts.</p> <p><u>The Committee CONSIDERED the report and RECOMMENDED the draft financial statements 2019/20 to Corporation for APPROVAL.</u></p>	BB/TB
57/21	<p><b>FINANCIAL STATEMENTS MANAGEMENT LETTER</b></p> <p>The external audit representative introduced the report and said that RSM are planning to issue an unqualified report. She continued by summarising the key findings in connection with the audit of the financial statements of the College and its subsidiary, including regularity reporting in respect of the year ended 31 July 2021. In conclusion she said that the audit work is substantially complete and subject to the successful resolution of outstanding matters, the audit team anticipate issuing an unmodified audit opinion on the College's financial statements and an unmodified regularity conclusion in line with the agreed timetable. She then thanked the Director of Finance &amp; Curriculum Planning and other members of the finance team for their co-operation in ensuring an effective audit process.</p> <p>The Chair asked a question regarding the "going concern", referring to the sentence "we will review and challenge the Governors". He asked if RSM were comfortable with the level of assurance received and the external audit representative said that they were and they would be having a far more robust audit meeting if they were not.</p> <p>The Clerk was asked to circulate the "FE Emerging Issues" to all Governors.</p> <p><u>The Committee CONSIDERED the report.</u></p>	Clerk
58/21	<b>LETTER OF REPRESENTATION</b>	

	<p>Members considered the report and noted that the letter of representation is a formal statement to the auditors about the basis on which the College has prepared the accounts. Members noted that the letter of representation for both the College and Delamite Limited are attached to the report.</p> <p><u>The Committee CONSIDERED the letter of representation and RECOMMENDED it to Corporation for APPROVAL.</u></p>	
<b>59/21</b>	<p><b>EDUCATION AND SKILLS FUNDING AGENCY FINANCE RECORD</b></p> <p>The Director of Finance &amp; Curriculum Planning informed Members that the document looked very different to previous years as it reflected a revised format to replicate the new College Financial Forecasting Return model's format. She reminded Members that there may be minor amendments to the current version.</p> <p>The Principal asked if the checks and balance work had been undertaken and Members noted that it was in hand.</p> <p><u>The Committee CONSIDERED the report and RECOMMENDED it to Corporation for APPROVAL.</u></p>	
<b>60/21</b>	<p><b>SELF-ASSESSMENT QUESTIONNAIRE FOR REGULARITY AUDIT</b></p> <p>Members noted the report and the Director of Finance &amp; Curriculum Planning was asked to consider aligning the layout on page 3 and possibly including reference to the annual governance review, the Audit Committee and Corporation meetings as additional evidence sources. Also, on page 5, a suggestion was made to include a reference to the Governors' annual renewal of their Declaration of Eligibility and Register of Interests as further evidence.</p> <p><u>The Committee CONSIDERED the report and RECOMMENDED it to Corporation for RATIFICATION.</u></p>	<b>TB</b>
<b>61/21</b>	<p><b>DISCUSSION WITH AUDITORS WITHOUT MANAGEMENT PRESENT (if required)</b></p> <p>No discussion required.</p>	
<b>62/21</b>	<p><b>DELAMITES LIMITED: FINANCIAL STATEMENTS 2020/21</b></p> <p><u>The Committee CONSIDERED the report and RECOMMENDED it to Corporation for APPROVAL.</u></p>	
<b>63/21</b>	<p><b>DELAMITES LIMITED: LETTER OF SUPPORT</b></p> <p><u>The Committee RECOMMENDED the report to Corporation for APPROVAL and SIGNATURE.</u></p>	
<b>64/21</b>	<p><b>FREEDOM OF INFORMATION POLICY</b></p> <p><u>The Committee APPROVED the Freedom of Information policy, noting that there were no amendments to the previous version.</u></p>	
<b>65/21</b>	<p><b>ANY OTHER BUSINESS</b></p>	

	The Chair thanked Members for their contribution and also the authors of the excellent meeting papers.	
<b>66/21</b>	<b>DATE OF NEXT MEETING</b> Wednesday, 2 March 2022, 4.00pm – 5.30pm, room A34.	

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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