



AUDIT COMMITTEE

MONDAY 7 NOVEMBER 2022

Report: Minutes of the meeting held on Wednesday 15 June 2022
Author: Clerk
Action: Approve
Status: Open

Present: Michael Wood-Williams (MWW – Chair)
Aneela Ali (AA)
Jennifer Boyle (JB – Co-optee)
Darren Curry (DC – Co-optee)

In attendance: Jeremy Cook (JC – Deputy Principal: Finance & Resources)
David Alexander (DA – Principal / CEO)
Ivan Jepson (IJ – Director of Business Development & Planning)
David Keetley (DK – Financial Controller)
David Hoose (DH – Mazars – External Audit)
Graham Gillespie (GG – Wylie and Bisset – Internal Audit)
Audrey Cowan (AC – Wylie and Bisset – Internal Audit)
Emma Moody (EM – WBD, Clerk)

A/796 Welcome to new Co-optees / Apologies / Conflicts of interest

The Chair welcomed everyone to the meeting. Apologies were received from IJ and NH.

Particular welcome was extended to Jennifer Boyle and Darren Curry as new co-optees to the Audit Committee.

Members were invited to declare any interests on any item on the agenda. No interests were declared at this stage in the meeting; however, members noted that should the direction of debate on any item result in a potential conflict of interest, this should be indicated in the meeting.

A/797 Minutes of the last Audit Committee meeting dated 16 February 2022

The minutes of the Audit Committee meeting held on Wednesday 16 February 2022 were agreed as a correct record.

A/798 Matters Arising

The action log was noted.

A/799 Rolling Audit Action Log

The report was presented by JC. Members noted it was helpful to see this in the context of the other items on today's agenda, particularly the 2021-22 internal audit annual report.

The report was noted.

A/800 Internal Audit Reports

The reports were presented by GG and AC (Wylie & Bisset) as internal auditor.

Safeguarding

Internal auditors presented an audit report with a strong assurance rating, with only a small number of recommendations presented.

DA mentioned the work being undertaken in relation to mandatory staff training in this area and the monitoring of compliance by the People and Remuneration Committee.

Action: Members agreed to highlight this particular internal audit report to the Board, recognising the Board's overall responsibility in this area.

Budgeting and Financial Reporting

DA welcomed the survey approach adopted by the internal auditors in undertaking this review and its presentation format. Wylie and Bisset assessed their review in this area as providing strong assurance. The three low level recommendations have been accepted and it was noted that for one of these the College needs to document some of the planning process that already goes on, but was not demonstrated to the auditors through the documentation in place.

JC confirmed the College would follow up on responses to the survey to identify if individuals can be given specific report on any areas.

AA asked whether staff within the College were cognisant of how risks could impact on their particular budget lines and be confident to raise those risks with the senior team. DA confirmed that this was an area of ongoing work and noted that the DP: Finance and Resources had delivered training on this to senior managers and this would be an area of continuing development in developing operational and strategic planning and the reporting and monitoring of it.

Learner Numbers (AEB)

The Wylie and Bisset Learner Numbers internal audit review confirmed a strong level of assurance. EM noted the assurance Governors could receive from understanding that learner withdrawals were processed in a timely manner, which ensured that information was up to date and therefore the financial position accurately reported as a result.

JC noted that this area of MIS was a key area where colleges could get things wrong, with substantial consequences. This reinforced the comfort provided by this report for the College.

Procurement

Wylie and Bisset confirmed that this internal audit report provided a substantial level of assurance for the College. GG noted that while the number of recommendations was slightly higher than in other colleges they had reviewed, they were largely of a low level

and it was acknowledged the work undertaken by the College in relation to its procurement procedures in the last 12 months. GG was content with the proposed management response to the report and work being undertaken by the College in this area to improve its processes.

Action: Members agreed to highlight this particular internal audit report to the Finance and General Purposes Committee recognising that the operational side of procurement fell within its remit, and in turn agreed to highlight this report to the Committee recognising the Board's interest in this area.

JB welcomed the presentation of the report and the highlighting of best practice and benchmarking information it contained – it was helpful for context.

JX confirmed the use of Tenet as an external procurement partner, and the current review of arrangements in this regard, with consideration of making an internal appointment to support the College in this area. DA confirmed that the College would still be able to access relevant procurement frameworks.

Follow up

Wylie and Bisset confirmed that this audit report provided a substantial level of assurance. JC referred to agenda item 4 and supporting paper in reviewing this follow up work, which was the internal tracker document.

JC noted that there were certain areas of where the timescale for completion would require to be extended for completion for some of the partially completed actions. JC stated this may be down to some under-estimation of the time required to undertake particular actions, especially where third party actions are required to achieve completion.

Action: Members agreed that an update would be circulated soon after year end to confirm the complete implementation of outstanding actions on the tracker that were due at that time.

DA also noted that moving into 2022/23 reporting on implementation of rolling actions should be aligned throughout the year to audit committee meetings so that the Committee could more regularly review and be assured on the timely achievement of recommendations.

The Chair thanked the executive team for their work on the implementation of recommendations and in undertaking internal audit work generally and noted that the reports were very positive and overall provided a strong level of assurance across a range of areas.

The reports were received and noted.

A/801 Internal Audit Annual Report 2021/22

The report was presented by GG and AC (Wylie & Bisset) as internal auditor, who confirmed that it provided

JB felt the report gave the Committee some good assurance.

DA noted the work and commitment of the internal auditors to this process in bringing the College internal audit process to a June completion.

The report was noted.

A/802 Subcontracting Controls Report

The report was presented by AC (Wylie & Bisset) as internal auditor.

Members were reassured by the audit report, which was an essential part of reporting compliance to the ESFA, and part of the College's funding requirements.

The report was received and noted.

Action: it was agreed that this report would be highlighted to the Board as part of the presentation of the Sub-Contractor Assurance plan on 6 July

A/803 Review of Risk Register

The report was presented by JC.

The risk register is reviewed at each committee meeting and more regularly if required in the event of emerging risks. The register would be reviewed again over the Summer and revised in line with the new College strategy.

AA asked how alignment to the strategic priorities would be undertaken. JC said that each priority would be reviewed with a genuine review of existing risks and the exercise would be substantial, not just a re-formatting of current risks.

EM said it would be beneficial for the Committee to understand the process undertaken to review and refine the risk register, as well as the outcome of the process. Members should be able to see what risks have been removed or redefined, and identify new risks and mitigation plans when the plan is subsequently presented for approval.

Action: new template risk register would be brought back to this Committee early next academic year as the work would be undertaken over the Summer. This item would be given sufficient time at the next Committee meeting.

The report was noted.

A/804 Internal Audit Annual Plan 2022/23

The report was presented by GG and AC (Wylie & Bisset) as internal auditor.

JB asked about flexibility in the plan in the event a risk emerges throughout the year. DA confirmed any emerging risks could be incorporated into the plan.

JC said that the plan was aligned to when the risk register was refined and reviewed earlier in the year. The executive still felt the plan was appropriate to the key risks in the risk register.

The report was approved.

A/805 External Audit Annual Plan 2021/22

The report was presented by DH (Mazars) as external auditor.

The format looked similar to last year and the process would follow that process in the work undertaken.

The report was noted and members were satisfied with the plan.

A/806 Regularity Self-Assessment Questionnaire

The report was presented by JC.

Action: DH to separately check if the ESFA expect the covid specific questionnaire still exists and the College is required to complete it and confirm to JC.

The report was noted.

A/807 Draft Board Calendar 2022/23

The draft Board calendar for 2022/23 was shared by EM.

The calendar was noted.

A/808 Any Other Business

MWW confirmed that the last meeting confirmed that the Committee would review its effectiveness at the end of each meeting.

1 – very strong 5 – very poor

- DA – 1
- EM – 2
- DK – 1
- AA – 2
- JB – 2
- DC – 2
- CT – 2
- AC – 2
- DH – 2
- JC - 2

Committee members welcomed the quality of papers and the timely execution of business.

Committee members wished to ensure they did not become too comfortable as a result of receiving positive audit reports and would wish to add challenge accordingly.

Internal and external audit partners confirmed they felt the Committee's discussion was appropriate for an FE College.

Action: JC notified the Committee that the internal Committee self-assessment would commence and he would circulate questionnaires to members over the Summer accordingly.

A/809 Date of the next meeting

The date of the next meeting is to be confirmed on the 2022/23 meeting schedule.