



**Audit Committee Meeting**  
**Minutes of the Meeting held on**  
**Monday 7<sup>th</sup> September 2020**  
**via Microsoft Teams**

- Present:** Andrew Dickinson (Chair) )  
 Jon Hawley ) External members  
 Michael Wisher )  
 Stephen Russell Co-opted member
- In attendance:** John van de Laarschot (JL) Chief Executive Officer  
 Jo Clifford (JC) Principal (Finance)  
 David Neilson (DN) Director of Finance  
 Karen Sanders (KS) Director of Human Resources & Organisational Development  
 Jill Holland (JH) Head of Operations – Partnership , Apprenticeships and Enterprise (item 6)  
 David Hoose Mazars (external auditor)  
 Andrew Bush KPMG (internal auditor)  
 Sandra Welsh KPMG (internal auditor)  
 Rachel Robson Interim Clerk to the Corporation

<b>1</b>	<b>APOLOGIES</b>  <b>001</b> Apologies were received from Richard Donovan.
<b>2</b>	<b>DECLARATIONS OF INTEREST</b>  <b>002</b> No declarations of interest were received
<b>3</b>	<b>APPOINTMENT OF CHAIR</b>  <b>003</b> The Clerk invited the Committee to appoint a Chair for the academic year from amongst its membership. The Committee <b>resolved</b> to appoint Andrew Dickinson as Chair for 20/21.
<b>4</b>	<b>MINUTES OF THE PREVIOUS MEETING</b>

	<p><b>004</b> The Committee reviewed the minutes from the previous meeting, it was noted that the actions placed at the last meeting were covered in the items on this agenda. The Committee <b>resolved</b> that the minutes of the meeting held on 8th June 2020 be approved as a true record and signed by the Chair.</p>
<p><b>5</b></p>	<p><b>INTERNAL AUDIT</b></p> <p><b>Updated Student Numbers Forecasting</b></p> <p><b>005</b> The Committee received the Report. It was noted that the work had been undertaken sometime ago. Inconsistencies in the approach across the College were highlighted. It was noted that whilst the College invests in Vector the data available from this resource is not being accessed by all staff to assist in the planning process. The Report identified 7 recommendations; 1 high, 4 medium and 2 low all of which have been accepted by management. JC confirmed that the outcome of the report had been disappointing, and that the recommendations would be picked up in the next cycle.</p> <p><b>006</b> A governor expressed concern that access to Vector was not being used and queried the timescale referenced for implementation of actions in light of the importance of accurate forecasting to the College recovery; JC confirmed that this should read October 2020 not 2021. The Chair noted the critical importance of understanding student numbers and emphasised the need for the recommendations to be swiftly implemented.</p> <p><b>Progress Update Report</b></p> <p><b>007</b> KPMG provided a verbal update on Progress; three reports from 19/20 require finalisation and will be available at the next meeting for the Committee to review. These are OfS, Funding Assurance and Follow-Up. Work on the reports is substantially complete and the reports will be available ahead of the usual meeting timetable.</p> <p><b>Internal Audit Plan 20/21</b></p> <p><b>008</b> The Committee reviewed the Plan for 20/21 and expressed concern that the dates when work would be conducted had not yet been agreed. It was noted that all work would need to be completed by July to enable the Committee to receive the resulting reports. KPMG confirmed that as soon as the Plan was approved dates would be confirmed, resource has been allocated to enable work to commence during the autumn term.</p> <p><b>009</b> The Committee queried whether a review of partnership working/subcontracting could wait until 22/23 as suggested in the Plan, JC confirmed that the Subcontracted Controls Report to be reviewed under the next agenda item was an annual requirement of the ESFA so would take place in 20/21 and the recommendations from those reports would now be added to the Recommendation Tracker.</p> <p><b>Action:</b> JC to add recommendations from the annual Subcontractor Controls Report to the Recommendation Tracker.</p> <p><b>010</b> The need to ensure dates were agreed urgently and work commenced was highlighted by the Committee</p> <p><b>Action:</b> JC to update Committee at next meeting on dates agreed for all IA work in 20/21 and on progress made with work undertaken.</p>

	<p><b>011</b> The Committee <b>resolved</b> to recommend approval of the Internal Audit Plan 20/21 to the Board</p>
<b>6</b>	<p><b>SUBCONTRACTOR CONTROLS REPORT</b>  <i>Jill Holland joined the meeting</i></p> <p><b>012</b> JC confirmed that an annual audit of subcontracting and the subsequent submission of the resulting certificate remains a requirement of the ESFA. She confirmed the recommendations had all been accepted by management. The summary on pages 2 and 3 of the report was noted, JH confirmed that the College no longer had any sub-contracted apprenticeships.</p> <p><b>013</b> JC took the Committee through the findings/recommendations. JH confirmed that all contracts had been signed and returned by partners prior to the commencement of delivery as required. The majority of the recommendations were noted to be around compliance issues and JH confirmed all would be implemented before the end of October. The Committee expressed concern that seemingly basic compliance issues were still being revealed by audit work and sought assurances that these, or similar issues, would not arise again. JC confirmed that the recommendations would be added to the Recommendation Tracker as an additional control measure and assurance.</p> <p><i>JH left the meeting</i></p>
<b>7</b>	<p><b>EXTERNAL AUDIT</b></p> <p><b>Audit Strategy Addendum</b></p> <p><b>014</b> The Audit Strategy Addendum was received and noted. This responds to the late release of the ESFA Guidance and to Covid 19 related issues. The timeline for submission of annual accounts has been extended to 31<sup>st</sup> January 2021 but auditors confirmed that they would continue to work to the regular timeline of submission by 31<sup>st</sup> December.</p> <p><b>19/20 Regularity Audit Self-Assessment Questionnaire</b></p> <p><b>015</b> The Committee reviewed the RSAQ and <b>resolved to approve</b> this for signature by the Accounting Officer and the Chair.</p> <p><b>19/20 Additional Covid Specific Audit Self-Assessment Questionnaire</b></p> <p><b>016</b> The Committee reviewed the additional Covid Specific SAQ, noting the reasons for this, and <b>resolved to approve</b> this for signature by the Accounting Officer and the Chair.</p>
<b>8</b>	<p><b>RECOMMENDATION TRACKING</b></p> <p><b>017</b> JC took the Committee through the Tracking Report; she noted 18 recommendations brought forward and 11 added, of these she confirmed that 14 were complete, 10 outstanding and 5 not yet due. It was noted that one action from 18/19 remains outstanding, this stems from the review of Risk Management and will be actioned through the embedding of the new business planning cycle that will commence shortly.</p> <p><b>018</b> A governor noted the time extensions, in some instances 11 months, and stressed that this was not acceptable. He asked that JC feedback to those staff responsible for the progress of the recommendations that this work needs to be progressed in a timely manner. This view was supported by the Chair of the Committee. The Chair emphasised that the timeline for implementation of actions</p>

	<p>were accepted by management at the outset, not enforced by auditors. He therefore stressed the need for those deadlines for implementation to be adhered to. The impact of Covid 19 on implementation of some recommendations was noted but the Chair highlighted that this did not provide a reason for much of the slippage. Whilst noting that the slippage was symptomatic of the issues being experienced within the organisation the Chair noted that three reports from 19/20 were yet to be received and that 20/21 audit work would now shortly commence creating further pressures. The Chair noted that in the recent past good progress had been made in closing out actions in a timely manner and that these practices needed to return.</p>
<p><b>9</b></p>	<p><b>RISK MANAGEMENT</b></p> <p><b>019</b> JC confirmed that the Risk Management Group (RMG) had reviewed and updated the Risk Register. The Committee was asked to review the Risk Register and the revised deadlines for achieving target scores. JC highlighted three risks (City Hub, Processes Failures and People and Change, employer relations) where the RMG viewed the residual risk score as reducing. JC highlighted extended timeframes for some risks, noting that the extension was required in some instances due to Covid 19.</p> <p><b>020</b> JC introduced KS to the Committee confirming that KS had been invited to take governors through the People and Change risks. KS explained progress made against the target residual risk scores in the People and Change risks. She highlighted the positive movement in employee relations following the previous pay and grading progress. Measures now in place to promote recruitment and retention, to fill vacancies, to promote staff development, to ensure appropriate policies and processes, to embed values and behaviours and to manage workload were explained. The Committee confirmed that the attendance of KS at the meeting, and the explanation of the actions taken that sit beneath the strategic risk register, were very useful.</p>
<p><b>10</b></p>	<p><b>AOB</b></p> <p><b>021</b> No items of AOB were raised</p>
<p><b>11</b></p>	<p><b>DATE OF THE NEXT MEETING</b></p> <p><b>022</b> The date of the next meeting confirmed as Monday 23<sup>rd</sup> November 2020</p> <p>The Chair closed the meeting at 6.32pm</p>