

Minutes of the Audit and Risk Committee Meeting held at 6pm on 6th December 2023 via Teams

Members Present: Eddie Weiss (Chair), Nick Bevan, Kish Sidhu

Apologies: None

In Attendance: Jenny Craig (Principal & CEO), John McGrath (Chief Operating Officer (COO)), Rachael Murray (Executive Director Digital Transformation and Planning (EDDTP)), Chris Mantel (External Auditors, Alliotts), Anna Smith (Director of Governance), Rob Lawson (Observing as External Board Reviewer)

Minute No.	Agenda Item
AUD 14/23	<p>1. Welcome, Apologies and Declarations of Interest</p> <p>The Chair welcomed all to the meeting. There were no apologies and no new declarations of interest relevant to the business of the meeting.</p>
AUD 15/23	<p>2. Minutes of the Committee Meeting held on 24th July 2023 and Matters Arising</p> <p>Members agreed the minutes were an accurate record of discussion. There were no matters arising from the last meeting.</p> <p>The Committee Resolved to Approve the minutes of the meeting held on 24/7/2023.</p>
AUD 16/23	<p>3. Introduction to management items</p> <p>The Chair handed over to the COO who introduced his covering report to the management items as follows in line with the items 4 – 8 of the agenda.</p>
AUD 17/23	<p>4. Internal Audit</p> <p><u>Subcontractor Controls</u></p> <p>The committee were briefed on the outcome of the subcontractor controls internal audit, noting the new in-depth format defined by the ESFA to ensure subcontracting remains in the best interest of students. This audit, while not graded, ultimately resulted in the opinion being granted equivalent to 'substantial assurance' and arising actions were detailed in the report. Query was raised and the COO confirmed the report will go to the ESFA providing assurance that the college's subcontracted provision is of high standard and working well with the partners involved.</p> <p><u>Funding Audits</u></p> <p>The committee was reminded of the funding audits recently completed and the EDDTP summarised the process and outcome. Ultimately auditors found all areas to be satisfactory and all errors identified were corrected ahead of the final ILR submission (R14). Most errors were identified in apprenticeships and results had confirmed this is in line with findings from other providers largely due to the complexity of funding regulations. Issues have been corrected and the Vice Principal Commercial and Partnerships is working with the MIS team to undertake a full review of apprenticeship systems and processes. Suggestion was made and agreed that going forward the team will conduct more regular in-house audits to ensure regular checking of process.</p> <p>The COO recorded his thanks to the EDDTP for the significant amount of time dedicated to the audit to ensure the right outcome.</p>

	<p>Chris Mantel provided assurance that messages from the ESFA on funding audits echoed the experience of the college with apprenticeships continuing to provide challenges for those developing and delivering them.</p> <p>The Chair sought assurance of apprenticeships success and progression and the Principal noted from a quality perspective the self-assessment process had judged apprenticeships to be requires improvement but assured members that in the majority of cases apprentices do progress onto good quality jobs.</p> <p><u>2023-24 Audits</u></p> <p>The committee reviewed suggested plans on how the committee can be suitably reassured that controls operate effectively within the college. Given the changing landscape it was proposed internal audits be conducted by different providers with more specialist knowledge appropriate to each area on a more regular basis to provide increased assurances of process. Discussion took place regarding the frequency of audits and capturing external risks unforeseen by the college in the appropriate way.</p>
AUD 18/23	<p>5. Annual Report and Financial Statements 2022-23, including External Audit Management Letter</p> <p>The COO summarised the report and invited Chris Mantel (CM) to take members through Alliot's management letter. CM commended the COO and Head of Finance noting nothing in the financial statements required adjustment which positively reflects the high quality of work the team produces. In summary CM confirmed a true and fair opinion of the financial statements and a clean regularity opinion. CM briefed members on the report explaining the key items as detailed in the paper.</p> <p>The Chair noted his reassurance. Clarification of the IFRS16 accounting process was provided as requested and discussion took place regarding accounting treatment of land leases. Query was raised and explanation and assurance provided regarding high needs funding processing and the complexities involved. Further discussion took place regarding invoice payments and it was confirmed the vast majority of late payments are due to supplier delays in invoice processing and suggestion was made to reflect this more positively for the college.</p> <p>The Committee Resolved to Recommend the Annual Report and Financial Statements and External Audit Management Letter to the Corporation for approval.</p>
AUD 19/23	<p>6. Annual Report of the Audit Committee 2022-23</p> <p>Query was raised and explanation provided of the timing of the committee's review of its terms of reference. Further query was raised regarding non pay risks and it was agreed comment be included regarding supplier payments and cybersecurity.</p> <p>Subject to this amendment, the Committee Resolved to Recommend the Annual Report of the Audit Committee to the Corporation for approval.</p>
AUD 20/23	<p>7. Appointment of Internal Auditors</p> <p>Recommendation was made to continue to use TIAA for the college's internal audit service for a further year. This will be the fifth year with TIAA and so the committee will be asked to review internal auditors at the next meeting. Discussion took place around becoming too comfortable with internal auditors and assurance was provided that there should be a level of comfort and the college follows DfE guidance of reviewing its provider every five years.</p> <p>The Committee Resolved to Recommend the appointment of TIAA as internal auditors for 2023-24.</p>
AUD 21/23	<p>8. Strategic Risk Register</p> <p>The committee reviewed the new format risk register set to more closely oversee and assess strategic risks. The committee were taken through the key risks (aligned to the strategic plan</p>

	<p>and KPIs) and members scrutinised with positive suggestions noted. In terms of the risk of progressing the strategic plan, the Principal confirmed this process would be taken through regular reporting to the relevant committees and Corporation but the annual KPI targets were included in the risk register rather than the overall five year plan. The register is a live document which is being embedded within the college with emerging risks included as they arise. The COO shared examples of this to the committee's satisfaction.</p> <p>The Committee Resolved to Endorse the strategic risk register.</p>
AUD 22/23	<p>9. Audit Committee Self-Assessment Review 2022-23</p> <p>The committee reviewed the outcome of the self-assessment noting the key focus for 2023-24 is on membership recruitment to ensure new members have strong skills and experience to serve the committee going forward.</p> <p>Regarding the two comments raised in the review, discussion took place regarding annual reports from the internal auditors. As discussed earlier in the meeting, this will not be the case moving forward given the changes in various companies undertaking different audits.</p> <p>The Committee Resolved to Recommend the Audit Committee Self-Assessment Review to the Corporation for approval.</p>
AUD 23/23	<p>10. Audit Committee Members' Training and Development Review 2022-23</p> <p>The Committee Resolved to Note the annual review of members' training and development.</p>
AUD 24/23	<p>11. Any Other Business</p> <ul style="list-style-type: none"> The Committee and Executive Team thanked Kish Sidhu and Nick Bevan for their support and commitment to the work of the committee as this would be their last meeting of the Audit Committee.
AUD 25/23	<p>12. Date of Next Meeting</p> <p>1st May 2024</p>

The Chair thanked all for attending and the meeting closed at 7.45pm.

Approved as an accurate record of discussions: 1st May 2024