



**AUDIT COMMITTEE**

**MINUTES of the Meeting of the AUDIT Committee  
held on Monday 14 February 2022 at 10.30 via remote participation**

<p><b>Members present:</b> Gillian Lancaster Amali de Alwis Imran Razzaq Ben Higgin (BH)</p> <p><b>In attendance:</b> Mark Smith (MS) Joy Watkins Lee Glover Jacky Gearey (JG)</p>	<p>External member and Chair External member External member Co-opted specialist</p> <p>CEO Director of Finance &amp; Operations (FD) Haines Watts – proposed internal auditors for item 2.5 †10.50 Clerk</p>
--	---

<b>Quorum 2 members</b>		
<b>Agenda Item</b>		<b>Action by</b>
	<p><b>Apologies for Absence</b> There were no apologies.</p> <p><b>Declarations of interest</b> There were no declarations of interest.</p>	
2.0	<p><b>Opening of meeting</b> The Chair opened the meeting at 10.33 and thanked everyone for attending.</p> <p>The CEO advised the Board that Ben Higgin was to leave the audit committee because of a conflict of interest relating to the Manchester Apprenticeship hub. The Chair wanted to say thank you for his contributions which had been invaluable.</p>	
2.1	<p><b>Minutes of Previous meeting</b> The committee approved the minutes of the meeting held on 19 November 2021 as an accurate record. <b>Resolved that the minutes were an accurate record of the meeting held 19 November 2021.</b></p>	
2.2	<p><b>Open Matters Arising</b> Item 1.3 provide an action plan to the Board for 13 December 2021 addressing comments from RSM Funding Assurance Review – provided under item 2.7 with internal audit update. Item 1.5 – recommendations from Buzzacott and RSM funding review added to tracker – see item 2.4 - closed Item 1.7 GDPR audit report to be presented – the FD confirmed that the College was working on a plan from the TurnITon review and would update the committee verbally under item 2.6</p>	

	<p>Item 1.8 – add comment about risk of incorrect funding claims to Annual Fraud Assessment Report - closed</p> <p>All other actions had been closed and there were no other matters arising.</p>	
2.3	<p><b>Notification of any matters for concern (e.g. fraud, whistleblowing)</b></p> <p>The FD advised that there were no matters of concern.</p>	
2.4	<p><b>Audit Output Tracker</b></p> <p>The committee was asked to note the current position on the audit actions and output tracker, with the FD providing an update on current progress. All recommendations resulting from the internal and external audit work covering the 2020-21 financial statements, RSM funding assurance and safeguarding were included in the tracker irrespective of whether they have been completed or not, in order to provide a complete picture. For information only actions not completed will be included in future output tracker reports. An update on actions and progress resulting from the RSM funding assurance work is also included with item 2.7. The FD advised that most of the actions have been completed from the RSM funding audit however the Chair wanted reassurance that although many of the actions were on an ongoing basis had any work been completed to address the historical issues highlighted. CEO advised that work was being done to go back through the cohorts with the expectation that everything would be up-to-date within the next 6-8 weeks.</p> <p>The FD directed that all Covid related items could now be removed as no longer relevant but that it would be advisable to refresh the Business Continuity Plan. The Chair and FD to speak offline about this.</p> <p>The committee then went through the tracker in detail covering:</p> <ul style="list-style-type: none"> <li>• the external register for sixth form site - to be closed and removed</li> <li>• 1k covering all policies – CEO reassured the committee these would all be reviewed, the Chair wanted to know which policies were still open and the progress against each one as the due date shown was December 21. The FD said that the dates would be revised.</li> <li>• Student with medical needs – identified from the safeguarding audit – an update to be provided with a timeline. The CEO explained that there had been a hiatus in doing this due to the recent departure of DSL for personal reasons. A new DSL has since been recruited but only in post recently and is working hard to bring everything up to date. A full update to be provided at the next meeting.</li> </ul> <p>There were no further comments from the committee.</p> <p><b>Resolved that:</b></p> <p><b>(i) the Audit Actions Tracker was received and noted by the committee</b></p> <p><b>(ii) FD to remove all Covid related items from the tracker line</b></p> <p><b>(iii) Chair and FD to speak about the possibility of a BCP refresh</b></p> <p><b>(iv) CEO to provide full update on actions outstanding from the safeguarding for next meeting</b></p>	<p>FD</p> <p>FD Chair/ FD CEO</p>
2.5	<p><b>Introductory meeting with Lee Glover, Haines Watts, proposed internal auditors</b></p> <p>Lee Glover from Haines Watts joined the meeting at 10.50 and was introduced to the committee by the FD. The FD said that the aim was to appoint internal auditors who could review financial operations and other areas as decided by this committee, make</p>	

	<p>suggestions about improvements and best practice, and help management in identifying and controlling business risks. Appointment would be for an initial three year period and thereafter reviewed annually. The Chair asked Mr Glover to summarise his approach, this covered how the team would work, their education sector experience and the use of a risk based approach. The committee asked what the major issues within the sector were currently. These were referenced as:</p> <ul style="list-style-type: none"> <li>• Cyber incidents</li> <li>• Student records</li> <li>• Good core financial controls e.g. payroll</li> <li>• Estates and infrastructure</li> <li>• Curriculum planning</li> </ul> <p>The committee agreed that these resonated well with what the committee had previously discussed. There followed a lively discussion on how strategy was developed and managed. The Chair asked for the internal audit strategy for 2022-23 to be brought forward to the next meeting and agreed at that time. The FD said that this would be done. Finally the Chair asked about the duration of any contract which was advised as an initial 3 year period and then reviewed annually.</p> <p>The Chair thanked Lee Glover for attending and he left the meeting at 11.05</p> <p><b>Resolved that an internal audit strategy for 2022-23 be brought to the next meeting by FD</b></p>	
2.6	<p><b>Risk Management</b></p> <p>The risk register had been updated with the addition of one new risk 12 regarding insufficient capacity to deliver two capital projects at the same time in London and Manchester although not clear at the moment on the timelines.</p> <p>Additionally the risks 2, 7 and 18 had also been amended. The committee discussed in detail the revised risk 18 covering financial liquidity in particular the potential pressure on financial viability and cash days dependent on the timings of the move to Victoria. Questions centred on the factors that could prove detrimental with the FD saying that a pinch point would be dependent on when the Victoria lease is signed. Asked about possible options, the FD said that these were limited, and that pressure was still being applied to DfE to cover the Board Lane lease costs with the CEO being advised to proactively manage this by speaking to ESFA. Additionally the CEO advised that the Impetus Foundation was providing support with the financial model on this as there were numerous variables including for example the exact apprenticeship volume going forward, as this was too early to ascertain. The committee asked that the College investigate all avenues as discussed with the FD asserting that there was no concern currently. The Chair reminded the committee that this had been examined at the recent strategy day and that if the model provided something more dynamic this would be helpful. CEO said that opportunities come with risks which led the committee to further discussion on risk dynamics, control measures and monitoring the metrics. ensued these risks and whether it would be viable to have a tracking metric. The FD said the risk register could be amended to show the trend analysis and would action this accordingly. The committee said that an annual update would be sufficient.</p> <p><b>Resolved that:</b></p> <p><b>(i) the Risk Register was received and noted by the committee</b></p> <p><b>(ii) FD to provide a trend analysis on the risk register</b></p>	FD
2.7	<p><b>Internal Audit Updates</b></p> <p><b>RSM Funding Assurance Review</b></p> <p>The RSM funding audit was discussed at the previous audit meeting. The audit review had identified a number of issues and made a number of recommendations and all</p>	

	<p>actions resulting from the review were included in the audit tracker as previously discussed. For reassurance the following were mentioned:</p> <ul style="list-style-type: none"> <li>• recruitment of a compliance officer in the apprenticeship team</li> <li>• additional external training on apprenticeship programme compliance</li> <li>• improved communications and cycle of meetings between Apprenticeship and Data teams</li> </ul> <p><b>GDPR</b> As previously minuted a GDPR review covering compliance requirements regarding current policies and procedures has been undertaken by TurnITon. The FD confirmed that an action plan was being produced and would be added to the output tracker and that no major issues had been identified. A point of note was that TurnITon had said that there should be a GDPR appointed trustee on the Board. The Chair suggested that this be discussed with the Board Chair, FD and herself offline. The report would be ready shortly and the committee agreed for the report to be sent to them once completed albeit it would be well before the next audit committee meeting. The FD said that the updated report would be presented at the next meeting.</p> <p><b>Safeguarding audit</b> As previously discussed at the previous audit meeting, the overall findings were positive with actions identified as now completed.</p> <p><b>Resolved that:</b></p> <ul style="list-style-type: none"> <li><b>(i) the Internal Audit updates on the RSM funding audit, GDPR and safeguarding were received and noted by the committee</b></li> <li><b>(ii) Chair, Board Chair and FD to discuss the issue of a GDPR appointed trustee on the Board</b></li> <li><b>(iii) FD to provide GDPR report to committee once completed</b></li> <li><b>(iv) FD to provide updated GDPR report at the next meeting</b></li> </ul>	<p>Chair, FD &amp; Board Chair FD FD</p>
<p>2.8</p>	<p><b>Health &amp; Safety</b> FD summarised the programme of work carried out since the previous meeting mentioning the following:</p> <ul style="list-style-type: none"> <li>• The first quarterly health &amp; safety committee meeting took place in November 2021</li> <li>• Covid-19 risk assessment compliance has been updated in line with local authority guidance</li> <li>• Staff are undertaking Fire Safety Level 2 and Fire Marshall training online</li> <li>• Emergency First Aid training renewal arranged for staff in February 2022</li> <li>• Routine testing and maintenance programme continues</li> </ul> <p>For reassurance it was re-iterated that both Whitechapel and the Manchester sites are managed by a third party provider who is responsible for conducting the necessary safety checks as part of the leases.</p> <p>The committee asked if all students were all back in college and CEO advised that Thursdays had been designated as a remote day which was currently being piloted and had been well received. The apprenticeship program was being run remotely which employers had endorsed.</p> <p>A further question arose around whether there was an issue of absenteeism of students and staff, CEO said that this has been variable but was not deemed a critical risk. The Chair asked about what third party providers actually covered with FD providing a full explanation. There were no further questions.</p> <p><b>Resolved that the Health &amp; Safety Report was received and noted by the committee</b></p>	

2.9	<b>GDPR Update</b> The FD advised that there had been one Freedom of Information Requests outstanding covering IT provision.  <b>Resolved that the GDPR Update was received and noted by the committee</b>	
2.10	<b>Any Other business</b> CEO advised that FD would be leaving the College within the next few months and the committee thanked her for all her work.  There was no further business.	
2.11	<b>Items to be taken forward to next Board Meeting</b> There were no items to be taken forward.	
2.12	<b>Date of Next meeting:</b> 1. 20 June 2022 at 13.30	
	<b>Close of Meeting</b> Meeting closed at 11.41	