

**Minutes of the Audit and Risk Committee held on 21st September 2021 5pm
Virtual meeting**

MINUTES

Present

Andy Jennings [Chair]
Neil Hunter
Nichola Harrison

In attendance

Stephen Jones, Deputy Principal
Michelle Dowse, Deputy Principal
Lee Glover, Haines Watt
David Hoose, Mazars

Clerk

Emily Baldwin

Section 1: General		
1.1	Apologies for absence	There were no apologies for absence. S Jones was welcomed to the meeting as the CRC's new Deputy Principal for Finance and Resources.
1.2	Declaration of Interests	There were no declarations of interest.
1.3	Matters that are confidential	The internal and external auditors confirmed that there were no confidential matters that they needed to raise with Governors. Governors also confirmed that there were no confidential matters that they needed to raise with the auditors.
1.4	Minutes of the meeting held on 25 th May 2021 and matters arising	The minutes were agreed to be a true record of the meeting. The Committee discussed improvements needed to the Risk Register. N Hunter said it was useful to start with the College's objectives and then to assess the key risks and assurances associated with these. A Jennings said it was important to make sure that the information in the Risk Register was current and relevant, and to make sure it was accessible for all Governors and staff. The College needed an assurance framework which could be integrated into the Risk Register or be a standalone document. S Jones said he would consider the comments and invited any committee members to contact him directly if they had any further suggestions.

Section 2: Committee business

2.1	Audit planning memorandum 2020/21	<p>The external auditor D Hoose introduced the addendum to the Audit planning memorandum.</p> <p>The Committee noted that at the May 2021 Audit Committee meeting, the external auditor had presented its audit strategy memorandum that summarised the proposed audit approach of the audit team. At that time, it was unclear how the changes to the Audit Code of Practice around the withdrawal of ESFA assurance on funding income would affect the audit approach. The addendum presented to the Committee gave an update on the external auditor approach. The addendum confirmed that the auditor would need to conduct additional audit work to sample student ILR records (apprenticeships and AEB), and that this would result in a small increase in fees, dependent on the amount of additional sampling that was required. The sample was based on an analysis of the risks at the College.</p> <p>The Committee asked the extent to which the external auditor could rely on the findings of the internal auditor. D Hoose explained that while they could not rely on the internal auditor findings, the scope of the internal audit work was considered when choosing the appropriate sample size. He also confirmed that his fee was market tested through the College procurement processes. It was likely that this would be a recurrent issue, and was not related to COVID.</p> <p>The Committee agreed that the approach was reasonable and accepted the fee proposal.</p> <p><i>D Hoose left the meeting.</i></p>
2.1	Apprenticeships	<p>L Glover introduced the report on internal audits.</p> <p>Two college audits were undertaken and concluded by the internal auditors since the last Committee meeting.</p> <p>Apprenticeships Adequate assurance has been provided by Haines Watts with regard to the design and effectiveness of controls, with 5 medium priority recommendations which have been agreed.</p> <p>N Hunter asked whether the audit looked at ensuring value for money for the College and that all appropriate funding was being drawn down. L Glover confirmed that the focus of the report was on ensuring compliance with the statutory requirements and minimising the risk of clawback. It was noted that due to human error one learner had the wrong price entered on the ILR to the detriment of the College. This was a material error based on a small sample size. Management had agreed to review 100% of records in the ILR as a result S Jones agreed to look into controls in the area. It was noted that the system relied on manual input and was a complicated cross-college system. There was scope for more automation of the system.</p> <p>The Committee discussed the wider issue of whether there were sufficient controls in place to ensure the College was maximising all its funding opportunities and looking at whether there were risks associated with the efficiency of College processes. It would be important to check whether it was</p>

		<p>appropriate to cover this in future audits, noting that this was not the focus of the current audit. It was agreed that the scope of future audits would be circulated to the Committee.</p> <p>Counter-fraud Adequate assurance has been provided by Haines Watts with regard to the design and effectiveness of controls, with 4 medium priority recommendations. It was noted that the College would design a scheme of delegation which would be sufficiently flexible to allow changes to the signing authority list. S Jones said that he would look into the recommendation regarding evidencing of checks of BACS runs and bank reconciliations. It was important to provide evidence that the checks were being done as they were important controls. It was agreed that S Jones would email the Committee prior to the next meeting.</p> <p>The Committee asked for clarification on which members of staff were asked to complete a register of interests. The Clerk confirmed that it included management, procurement and finance teams. The Committee suggested that those completing register of interests be reminded of the importance of the anti-fraud strategy.</p>
2.3	Internal audit plan	<p>The Committee discussed the internal audit plan for 2021/22.</p> <p>Governors discussed whether the internal auditor should carry out an audit on student records, given the external auditor would also be sampling student records. It was noted that the focus of the internal auditor would be slightly different and could give the Committee assurance on student records prior to external audits. It was noted that both the GLA and the ESFA were also carrying out additional audits in the autumn term. It was agreed that the Committee would review the position on the need for the audit at the December Audit Committee meeting when the outcome of the two additional audits would be clarified.</p> <p>Governors discussed the audit on the College's environmental strategy and agreed that it should be carried out later in the year. It was important to understand the scope of the audit as there was value in extending the scope beyond the ESFA's requirements.</p> <p>The Committee asked whether there was a need for an audit on contract management. It was agreed that this was not currently viewed as high risk in this year, given the nature and scope of the contracts managed by the College, but would be kept as a potential area for audit for future years.</p> <p>The Committee discussed the number of internal audit days, and S Jones agreed that the current plan was affordable.</p> <p>A view on whether an additional audit or review on safeguarding (peer to peer abuse) should take place would be taken at the December Audit Committee meeting once the scope of the audit was clear.</p> <p>The College agreed the internal audit plan for 2021/22 subject to a final decision on student records and safeguarding.</p>

4.6	Self-Assessment of Governors' Performance	In order to evaluate the meeting and identify any changes necessary to maintain the effectiveness of the Committee, the Chair asked how the meeting could be improved. Governors agreed it had been a useful meeting with good discuss.
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There was no other business and the meeting ended at 7:00pm.