

Minutes of a meeting of the Audit Committee held on 27th April 2020 by teleconference

Present: Denise Rollo (in the Chair); Norma Boyes; Elaine Clinton; Stuart Williams

Apologies: Robert Milburn (Chair of Audit Committee)

Also present: Minute No 11/20: Michael Priestley (Chair of Corporation); Peter Ellwood (Governor)

Also present: Karen Rae (External Auditor); Patrick Clark (Internal Auditor); Karen Wilson (Deputy Principal); Jane Murray (Clerk)

08/20 Chair

Resolved – that Denise Rollo take the Chair.

09/20 Minutes

Resolved – that the minutes of the meeting held on 3rd February 2020 be approved and signed as a correct record.

10/20 Declarations of Interest

None Received.

11/20 Risk Register

(To note for the record that the Chair of Corporation and Governor Peter Ellwood had joined for this item)

The Deputy Principal presented a refreshed risk register taking into account the changed circumstances of the pandemic.

While retention had been high thus far, there was an acceptance that with remote learning, that keeping learners was a riskier scenario and this would be closely monitored. In respect of safeguarding, there was a lot of work going on behind the scenes and it was felt that learners were not any more at risk.

The impact on the innovative growth plans, which had been in the pipeline, was significant and this would have an impact on financial health. There would be a deficit position this year, and a need to review the financial plan for 2020/21 and consider new models of working.

The situation was under active management with mitigating actions being taken. Without a surplus, there would be a need to consider how capital could be accessed to finance specific projects and by way of example, this might include leasing IT equipment to free up more capital for investment elsewhere.

Reflecting on the way in which staff had responded to the new ways of working, it was questioned whether this was reflected in Risk 5. It was felt that there would be a need to sustain that sense of innovation and that the pandemic had been a catalyst to get things done differently. College life would not be the same and there would be a need for everyone to change and adapt.

It was asked about IT costs so far to accommodate remote working/learning and this was felt to be in the region of £20,000, although grants were being sought. It was not felt likely that the budget would need to be increased, but virement between budget lines anticipated.

The Committee felt that the revised risk register was fair and realistic, and was in line with the briefing that the Corporation had received the previous week.

Peter Ellwood left the meeting

12/20 Internal Audit: Safeguarding Report

The internal auditor presented the report, which gave substantial assurance with no recommendations. The testing had been thorough and had covered all the usual policies and procedures, and the single central register, but no recommendations had been found, which was felt to be unusual.

The Committee congratulated staff on the clean audit, which they felt was so important for students and staff, and that this would be well-received by external agencies such as Ofsted.

Michael Priestley left the meeting

13/20 Audit Tracking Report

While progress was being made on most recommendations, the Deputy Principal was not happy with the insufficient progress being made on Unified Target Grades and this was now being escalated. In response to questioning, it was felt that there were a few members of staff who did not see the importance of the exercise and this was now being actively addressed.

On other matters, the IT Manager was reviewing costs on a second internet connection again, given the extent to which the College was now reliant on remote learning. There had been a pause while the sector lead JISC was

negotiating with BT on a national deal, but this was taking too long under the current, changed circumstances.

In respect of Health and Safety Training, online packages were now being considered. The property strategy review had been put back until June.

The Committee received and noted the audit tracking report.

Norma Boyes left the meeting

14/20 External Auditor

The External Auditor noted the financial distress of the country and indeed the sector, in particular the impact on cash flow and the impact that this might have on businesses continuing as a 'going concern'.

The Deputy Principal noted that cash in bank was relatively strong at £1.98m, that the College was actively managing cash vs investment, and that staff had been furloughed, who were involved in commercial activity or business support. It was confirmed for the External Auditor that ESFA guidelines had been followed and rationale had been well-documented

The meeting closed at 1800h.