



Minutes of a meeting of the Audit Committee held at 5.00pm on Monday, 21st September 2020 by Microsoft Teams

Present: Robert Milburn (Chair); Denise Rollo; Norma Boyes (from Minute No ` 19/20); Elaine Clinton; Stuart Williams

Also present: Karen Rae (External Auditor, Armstrong Watson); Patrick Clark, (Internal Auditor, Icca-Ets); Karen Wilson (Deputy Principal); Jane Murray (Clerk).

15/20 Minutes

Resolved – that the minutes of the meeting held on 27 April 2020 be approved and signed as a correct record.

16/20 Declarations of Interest

None received.

17/20 Internal Audit: Financial Controls

The Internal Auditor noted that the audit had given reasonable assurance, with 1 medium, 2 low and 1 advisory recommendation.

It was noted that there were no formal cash handling procedure in place and a low recommendation was made to put a formal process in place.

Some testing had taken place of purchasing orders and it was found that while these had been authorised appropriately, and budget holders had evidence of value for money, there was an advisory recommendation to attach the evidence of value for money to the purchase orders (and therefore visible to those authorising).

In testing of credit card transactions, it was found that nine had not been appropriately signed (although receipted), and one had not attached value for money in respect of first class travel. This was a medium recommendation to ensure that all credit card transactions be reviewed and authorised by a line manager and in the case of the Principal, the Deputy Principal or the Chair.

A further low recommendation was made to put in place an authorisation process for the raising of credit notes.

All the recommendations made were accepted by management as a fair audit and were being actioned.

It was asked whether there had been any major changes to financial systems as a result of the pandemic. It was felt not, as authorisation by electronic means had been retained as evidence.

It was asked whether, as a result of the pandemic and the potential of illness of key staff, whether adequate financial controls could be maintained. The Deputy Principal felt that the question was timely as the subject of segregation of people had been discussed that day. She was not overly concerned at the moment, but conscious of the fact that the organisation is now very lean.

In response to questioning, it was confirmed that there were no instances of materiality and that quotes were obtained in line with financial regulations to ensure value for money.

18/20 Internal Audit: Compliance with Audit Recommendations

The internal auditor noted that this was an annual audit to ensure both the accuracy of progress reporting and that recommendations were being followed up. The audit had been 100% compliant, which was well received by the Committee.

Norma Boyes joined the meeting

19/20 Internal Audit: Audit Plan for 2020-21

The internal audit plan for 2020-21 was presented by the Internal Auditor, covering student journey; English and maths strategy; IT Data Security; HR Strategy and Staff Utilisation; payroll (with a new provider), which had been identified from key risks and the setting up of the subsidiary company, which had been requested by management.

It was questioned whether cash flow management might be an area worthy of consideration, but noted that this was scheduled for 2021/22.

As the Committee had only prior sight of the plan and not the full strategy, it was content to recommend the plan subject to any further comments via the Chair at the Board meeting.

Resolved – to recommend to the Board the Audit Plan for 2020/21 subject to any comments by the Chair of Audit at the Board meeting.

20/20 Financial Regulations

The Clerk submitted the annual overview of financial regulations, with the only amendment made to take account of the audit recommendation in respect of authorisation of the Principal's Credit Card.

Resolved – that the financial regulations be recommended for approval by the Corporation.

21/20 Regularity Audit

This was an annual audit, with some additional questions this year in respect of the Government initiatives during the pandemic. The Committee considered that it was a useful exercise, which gave good oversight.

Resolved – that the regularity audit be recommended to the Board for approval and signature.

22/20 Board Assurance Framework

The Clerk presented a first draft of the Board assurance framework (the risk register already noting where reliance could be placed), which it was felt was a useful exercise. The internal auditor felt that external areas of reliance could be more detailed and explicit and it was agreed to incorporate the comments.

23/20 Audit Tracking Report

All recommendations had been closed off with the exception of checks of risk assessments for work placements, halted during lockdown, and the completion of a property strategy due to this and staff changes.

It was noted that the second link of the network was commissioned from Janet (the sector network), but has still to be implemented. It was asked how IT resilience had fared during the pandemic and felt that it had been very responsive, which had meant that operations had been maintained. Teaching, Learning and Assessment had also responded well, with consideration being given to a Beacon Award application.

The Committee noted the update.

24/20 Sub-contract Certificate

An annual process, with two minor recommendations made in respect to funding compliance, but which would be implemented if sub-contracting were to continue in 2020/21, but no plans as yet to do so.

The Committee felt that, given the complexity of the area, that there could easily have been more recommendations and asked that thanks be forwarded.

Resolved – that the audit be received and noted.

The meeting closed at 1815h.