

Minutes of a Meeting of the Audit Committee held on Monday, 20th September 2021 at 5.00pm in FO27 and by teams

Present: Robert Milburn (Chair – by Teams); Norma Boyes; Denise Rollo; Elaine Clinton (by Teams); Stuart Williams.

Also Present: Karen Wilson; Jane Murray (Clerk) and by Teams: Karen Rae, External Auditor, Armstrong Watson; Patrick Clark, Internal Auditor, Icca-ets.

19/21 **Minutes**

Resolved – that the minutes of the meeting held on 24 May 2021 be approved and signed as a correct record.

20/21 **Declarations of Interest**

None received

21/21 **Regularity Audit Questionnaire**

The Clerk presented the regularity audit questionnaire for the Committee's consideration and recommendation to the Board for signature. It was felt that it gave a good overview of Corporation business and the committee was content to recommend to the Board for approval and signature, subject to some finalisation of sources of evidence within the document.

22/21 **Financial Statements Audit Strategy**

The external auditor noted the different approach this year to audit, which included a requirement for the auditors to undertake some of their own testing over funding income from the ESFA which had been completed during the summer.

It was noted that a return to good financial health was anticipated, although operational cash was higher due to capital monies. A clawback of £160k was anticipated in 2021-22 on the Adult budget and that the position was looking relatively strong in terms of recruitment. The ongoing whistle-blowing incident had been disclosed to the auditor in full.

The Committee was content with the approach and areas to be covered outlined in the strategy.

23/21 **Internal Audit Annual Report**

The internal auditor presented his annual report which showed that there had been seven audits, of which six had given substantial assurance and one reasonable assurance. It was felt that this was a comparatively strong performance.

The Chair thanked both staff and the internal auditor for their work in the past year.

24/21 **Board Assurance Framework**

The Clerk presented a board assurance framework which tied to the 'bow-tie' risk management framework operated by the College. The Committee liked the format which they felt was clear and simple and on the suggestion of the internal auditor, requested that the internal/external theme be carried throughout the document before submitting to the Board for approval.

25/21 **Sub-contracting Certificate**

An annual certificate carried out by the external auditor, who had been happy to issue the certificate, but it was noted that a tender exercise would be required for significant contracts in the coming year.

26/21 **ESFA Audits**

There had been two audits by the ESFA earlier this year, the results of which had been notified in June. These had been for 16-18 Apprenticeships and for 24+ Apprenticeships. There had been no issues arising, which was noted by the Committee.

27/21 **Confidential Session**

Resolved – to move into confidential session.

28/21 **Public Interest Disclosure - confidential**

Under the above legal framework, the College had received some allegations which had been subject to independent review and the Committee considered the report and recommended the same to the Board.

The meeting closed at 1800h

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The Clerk noted that there had been five allegations, most of which were over two years previously. She explained the approach which had been adopted as part of the investigations to try and achieve an honest reaction in interviews bearing in mind that there had been significant changes to personnel who would have had oversight at the time.

The decision not to progress one of the allegations which the complainant had lodged where she had felt the correct action had been taken was endorsed, given that the complainant had wanted anonymity at all costs.

The Committee were content with the investigation and that it should be reported to the Board. It was noted that in future that some investigation into comparative outcomes for students might be worth considering.

The meeting closed at 1800h.