

Minutes of a meeting of the Audit Committee held on Monday, 21st March 2022 at 5pm in Room FO27 (with participation by Teams)

(To note that this meeting was postponed from the 28 February 2022 with the approval of the Chair).

Present: Robert Milburn (Chair); Norma Boyes (Co-opted Member);
Denise Rollo; Elaine Clinton (by teams)

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

01/22 New Appointment

It was noted for the record that Lee Todd, the newly-appointed staff Governor, had been appointed to the Audit Committee. He had been unable to attend at short notice, but would be attending for future meetings.

02/22 Internal Auditor: Risk Training

As part of annual training, the internal auditor reinforced the importance of the Audit Committee's role in reviewing and assessing the Corporation's risk management framework as an essential part of corporate governance arrangements.

He reminded the Committee of the key elements of the risk management framework, which including clarity in ownership and responsibilities in addition to categorisation; risk scoring; embedding; monitoring and review.

There continued to be a discussion on 'movement' on risk appetite, during which there was a reminder that the risk appetite would vary according to the nature of the risk and changes over a period of time.

Governors were given a helpful set of questions to consider in respect of risk appetite, including the extent of the appetite Governors might wish to take in achieving its strategic objectives.

It was suggested that to categorise risk under financial; regulatory; safety; reputational; business continuity; quality; would allow agreement on areas of risk rather than categorising each individual risk.

In consideration of the training session, the Committee discussed and agreed that they would review the risk register at their next session as planned and

thereafter they would like to monitor 2-3 risks at each meeting in the coming year.

The Committee thanked the internal auditor for a helpful session.

03/22 Minutes

Resolved – that the minutes of the meeting held on 22nd November 2021 be approved and signed as a correct record.

04/22 Internal Audit Report: Financial Strategy

The Committee was very pleased to hear that the audit had been given substantial assurance with no recommendations arising. Asked what good practice could be identified, it was felt that the approach was everything the auditors would be expect to see, but identified the thorough commentary around the management accounts (supporting the budget) of being worthy of particular note.

The Committee requested that all those involved should be thanked and the the Chair noted that the strong planning, which was evident but perhaps understated in the report, would have contributed to the strong outcome.

05/22 Internal Audit Report: ESFA Funding Audit

This audit, which covered compliance with ESFA funding rules, gave reasonable assurance with four recommendations arising.

The first high recommendation centred on the failure to have forms appropriately signed on day 1 of an apprenticeship (the apprentices had been eligible, but the paperwork had not been completed in a timely fashion).

In response to questioning, it was acknowledged that it had been challenging to get employers and apprentices to sign at the same time (bearing in mind that the College was not a signatory). It was intended to see whether the commitment could form part of the electronic processes for apprentices, to ensure that they were signed at the same time as the commitment statement.

It was suggested that perhaps some form of manual might be helpful, bearing in mind the constant changing of the funding rules, to which the Deputy Principal added that a sense of ownership would also be fostered, a recognition that if the correct paperwork was not in place, that the College didn't get paid.

Of the remaining recommendations, these required appropriate recording of OTJ hours which would be added to the commitment statement; that learning agreements be signed in advance of starting (which had been impacted by Covid); and that the methods of recording attendance for apprenticeships be reviewed.

It was noted that while there was no instances of ineligibility arising, the purpose of doing the audit had been to ensure that compliance was strong in advance of any ESFA audit.

It was requested that the audit tracking report in June have a bit more detail follow up on the follow-up actions being taken.

06/22 ESFA Letter

The Committee received and noted the confirmation from the ESFA that their audit of the Adult Education Budget had not identified any issues or action required.

07/22 Audit Tracking Report

The audit tracking report was received by the Committee and it was noted that the Security Awareness Training was being chased given the increase in cyber attacks (in the context of the Ukraine situation).

The meeting closed at 1820h