



Minutes of a meeting of the Audit Committee held on Monday, 19th June 2023 at 1700h in room FO27 with participation by Teams.

Present: Robert Milburn (Chair); Denise Rollo; Lee Todd; Norma Boyes; Elaine Clinton

Also present:

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

09/23 Minutes

Resolved – that the minutes of the meeting held on 13th March 2023 be approved and signed as a correct record.

10/23 Declarations of Interest

None received.

11/23 Internal Audit: 16-18 Student Journey – Enquiry to Enrolment

This audit provided substantial assurance with two low recommendations; one which suggested some more keep warm activities, potentially earlier access to various learning platforms and taster events. Some review of the process to track from enquiry to enrolment was also suggested.

It was felt that overall Lakes was maintaining a relatively stable picture at 854 enrolments in the past year and the attrition rate was low (which was a positive).

The Committee felt that it had been a positive audit. While it was acknowledged that the processes and interviews were better than they had ever been, it was asked whether there was more to be done to understand why prospective learners dropped out or why they decided not to come.

It was acknowledged that this analysis would be useful, but could be a number of reasons including stronger than anticipated GCSE results or may be just not ready to be in college (early withdrawals). A good data set was important and the internal auditor undertook to share some templates from other colleges.

12/23 Management Information Systems (MIS) and Reporting

This audit gave substantial assurance and there were no recommendations. The auditor like the KPIs, in particular the newly introduced 'lead KPIs', which demonstrated how the College was looking ahead.

Staff utilisation was good at 91%, performance against targets was well tracked and there were comparisons with previous years (including finance through the Management Accounts).

The Committee concurred that this was a very strong report, which gave confidence to the Board of the strong data underpinning reports. It was felt that the result was a credit to everyone involved.

13/23 Follow Up of Previous Recommendations

The internal auditor noted that 87% of the recommendations had been implemented with two more underway. It was felt that there was very little of concern.

14/23 Consideration of Individual Risks

The Committee considered risk 7 (Governance, Partnership and Finance reputational risk), which one cycle ago had been green and which had been downgraded as a result of a move to public sector.

There was a tension between the drive for innovation and flexibility on the one hand and the constraints of public sector permissions and oversight (with the internal auditor noting that the incidence of fraud was higher in sub-contracting and partnership activity). There was a need to ensure that there was good monitoring of contracts to ensure that there was substantial oversight of the way in which obligations were being monitored and it was acknowledged that the Financial Regulations review, which would be tabled in September, would need careful consideration.

Agreed – to revisit this risk towards the end of academic year 2023-24.

15/23 Audit Tracking Report

The Deputy Principal updated the Committee on progress in meeting this year's recommendations arising from audit reports. She was able to confirm that the vast majority of staff had now completed the cyber security awareness training.

There was optimism that recommendations arising for the ESFA mock funding audit and from the ESFA audit were well underway, but a few still open to ensure that practice was maintained. A further mock funding audit was included in the internal audit strategy for next year.

There was still some work to do to ensure that apprentices off the job hours were sufficiently well recorded.

Risk management would be reviewed over the summer and brought to audit in autumn.

16/23 Briefing Session – Three Lines of Defence

The internal auditor gave the Committee a briefing session on the three lines of defence giving his opinion that Lakes College demonstrated compliance with the expectations around accountability; action and assurance. The presentation is appended to these minutes.

The Committee welcomed the presentation and found it a good and very visual point of reference.

17/23 Internal Audit Plan 2023-24

The internal auditor presented the proposed Internal Audit Plan for 2023-24 which had been developed by mapping the key risks on the risk register and by discussing with key staff the areas where reassurance might be required.

The Deputy Principal noted that as it had been requested of the FE Commissioner's audit that they should carry out a curriculum efficiency review, that this had not been included in the audit plan for the coming year.

The Committee concurred that the proposal was a balanced plan.

Agreed – that the plan be recommended to the Board for approval.

18/23 Write-Offs

Prior to Board consideration of the proposed write-offs, required by public sector status and financial regulations, the Committee was asked to consider the actions which would be taken following consideration of the write-offs that had arisen over a five-year period. It was noted that the levels were well below that required for DfE approval under public sector guidance.

It was noted that a number of the cases included vulnerable people and it was accepted by the Committee that a policy would be advantageous to help ensure that there was a fair and equitable process. The Committee was assured, however, that best practice guidance had been taken into account in making the recommendations.

The historical nature of some of the write-offs was noted and the Deputy Principal's expectation was the College would not be in the same place next year.

The external auditor felt that the amount was comparatively low and that a policy was a good way of demonstrating compliance with best practice and public sector guidelines.

It was requested to revisit this risk in 2-3 meetings time.

Agreed – that the write-offs should be tabled to the Board for approval with the recommendation that a policy as a framework for write-offs in future.

The meeting closed at 1845h.