



MINUTES
of the Audit Committee
held remotely on Monday 29 March 2021

Present: - Tony Ford (Chair)
Cllr Sebastian Bowen (Co-opted Member)
Julia Cotton
Jeremy Nicholls
Kevin Tong (Co-opted Member)

In attendance: - Edward Gwillim (Director of Finance)
Clare Perez (Head of Finance)
Linda Watkins (Clerk to the Corporation)
Louise Tweedie (RSM)

The meeting was quorate as five members were present.

5. Apologies for Absence

There were no apologies.

6. Declarations of Interest

There were no declarations of interest.

7. Approval of the Minutes of the Meeting

The Chair signed the minutes of the meeting held on 8 June 2020 as a true and accurate record.

The Committee agreed: -

- To approve the minutes

8. Internal Audit Progress Reports

Louise Tweedie reported that Laura Goodwin was on maternity leave. During this period Karen Gentles would work with the College. The Committee recorded their congratulations to Laura Goodwin.

Louise Tweedie presented the following reports.

- I. The progress report outlined progress against the audit plan including client briefings which were presented for information. Reference was made to the briefing about 'Determining Your College Risk Appetite'. The new Audit Code of Practice could make this assessment of risk appetite compulsory as a response to Dame Mary Ney's review of finance and governance. This would strengthen the role of the Audit Committee and provide additional

Action

assurance to the Board that there is effective risk management. The revised Audit Code of Practice was due to be published which will be taken into account at a future meeting. RSM had analysed high priority actions against its client base which had identified governance and risk management, funding compliance and IT security as common themes. The importance of IT security had been highlighted following a cyber-attack on a college in the West Midlands recently which closed all campuses. The Committee discussed the next step to establish risk appetite. The Clerk updated Governors that the Search and Governance Committee had discussed planning for future Governor Workshops and have proposed a focus on risk management. RSM suggested that strategic planning should include input from CMT on the College's risk appetite as part of high-level strategy.

- II. Framework for the compliance with legal and regulatory requirements for health and safety was given reasonable assurance with five medium and two low level recommendations. The health and safety policy required approval by the Board in addition to CMT. A number of staff had outstanding mandatory health and safety training; this needed to be tracked by line managers. Accident reports are recorded on Smartlog but did not include the date of the accident. A Governor anticipated that there would have been some near misses as there had been 20 incidents recorded on Smartlog; this was an issue for the Health and Safety Committee. Spot checking would be introduced to ensure risk assessments are completed fully including a date and signature which should also be held in a central repository as opposed to locally. A Governor suggested considering peer reviews to ensure risk assessments cover appropriate areas as opposed to the Health and Safety Advisor. Accident forms needed to be signed off by Health and Safety Advisors. A Governor commented that the Committee should not be complacent by the finding of the audit report. The Chair responded that the scope of the audit had provided some assurance whilst also identifying actions for officers to address which would be followed up by the Audit Committee as part of the recommendation tracking report. RSM commented that internal audit reviews the College's processes and controls and not ISO standards which the College would need to commission if required which would be conducted by subject specialists.
- III. Framework for the compliance with legal and regulatory requirements for the Prevent Duty was given reasonable assurance with two medium and five low priority recommendations. The Home Office guidance is mandatory which requires institutions to have a policy to ensure students are protected from radicalisation in person and online, and that the visiting speakers process ensures that there is no risk of radicalisation. The College has a framework in place; compliance of practices was tested.
- IV. Key financial controls regarding financial planning and budgetary controls gave reasonable assurance which had

also included a follow up of progress from the previous year. There were two recommendations which were accepted by management and would be addressed. A Governor raised the recommendations related to asset verification and timely reconciliation on the payroll asking if these actions had been addressed previously. The Head of Finance responded that the payroll reconciliation was reoccurring; this had been addressed but there was an additional requirement to sign and date. Asset verification had not been fully completed which is ongoing relating to physical assets. The asset register is held by the finance department; however, IT and estates have details of some specific assets which had not been capitalised or written off. A Governor asked if there should be a figure for assets, this was confirmed.

The Committee agreed: -

- To note the internal auditor's reports

9. Audit Recommendation Tracking Report

This was noted showing recommendations which have been completed and those which remain ongoing. Recommendations from recent audit reports have been added with those completed shown separately.

A Governor referred to some recommendations identified from the IT cyber security framework audit which dated back to March 2018 asking if these would be addressed. The Director of Finance explained that work to address the recommendations was ongoing and would be completed by July 2021. The College has commenced a c£1.1M maintenance project which will also address some of the IT recommendations. In addition, some recommendations were likely to be subsumed following recent audits. The auditors confirmed that they would cross reference previous reports to check if any would be superseded.

The Committee agreed: -

- To note the tracking report

10. Risk Management Register

The Risk Register was noted with changes outlined in residual risk order. CMT have discussed risks with no significant changes since the last meeting. COVID-19 remains a significant risk which is being managed following Government guidelines. Achievement of funding remains an ongoing risk which is being monitored and reported to Governors in the monthly management accounts.

A Governor raised the risk relating to 'failure to manage College health and safety' and the mitigating actions. It was agreed that this should be raised separately through the Health and Safety Committee which would feed into the risk register.

The Committee agreed: -

- To note the risk register

- 11. Any Other Business and comments**
Appreciation was recorded to the Director of Finance and Head of Finance for their input to ensure that the College is on track with the internal audit annual plan this year.
- 12. Date and time of next meeting**
The next meeting of the Audit Committee was arranged for Monday 14 June 2021 commencing at 4.00 pm.