

Minutes

AUDIT MEETING

Date:	13 November 2023	Time:	4PM
Chairperson:	Chris Wilson	Location:	UCN Room 284

Present	Name	Role
Membership	Chris Wilson (CW)	External Member - Chair
	Javid Iqbal (JI)	External Member
	Stuart Compton (SC)	External Member
	Tim Major (TM)	External Member - Teams
Absent:	Tom Rossiter	External Member
In Attendance	Paula Powditch	Finance Director
	Jo Houghton (JH)	Vice Principal – HE & Skills (VPHES)
	Iain Wolloff (IW)	Principal and Chief Executive
	Lee Hunt (LH)	Deputy Principal & Vice Principal – FE & Curriculum (VPFEC)
	Cathy Wright (CW)	Vice Principal – Central Services (VPCS)
	Richard Bott (RB)	Internal Auditor - Mazars (On Teams)
	Chris Mantel (CM)	External Auditor – Alliotts (On Teams)
	Heather Large (HL)	Clerk to the Corporation
Quorum	Three members required	Meeting quorate, four members present

AGENDA ITEMS

Item No.		Reports
	<p>INTERNAL AND EXTERNAL AUDITORS MEET WITH COMMITTEE</p> <p>At the start of the meeting the External Auditor praised the College for its input into the external audit which resulted in the best results ever for the College and took the Committee through the Audit. This is recorded under Agenda Item 10. This was followed by the Internal Auditor discussing the Internal Audit Reports. This is recorded under Agenda Item 6 and 7.</p> <p>Meeting was adjourned at 17.08 hours.</p> <p>Meeting recommended at 17.15 hours.</p>	
1.	<p>APOLOGIES FOR ABSENCE</p> <p>There were no apologies for absence but it was noted that Tom Rossiter was absent.</p>	Verbal
2.	<p>DECLARATION OF INTERESTS</p> <p>No declarations of interests were made.</p>	Verbal

3.	<p>ELECTION OF VICE CHAIR</p> <p>The Chair advised the Committee that this will be carried forward to the next meeting of the Committee.</p>	Verbal
4.	<p>MINUTES OF THE PREVIOUS MEETING</p> <p>The Minutes of the Audit Committee held on the 18 September were duly reviewed and the Chair asked a question regarding the lobbying of the ESFA and if that had been resolved as yet. The Principal confirmed he had heard nothing to date. It was confirmed to the Committee that the new finance system had not yet been implemented.</p> <p>The Committee accepted the minutes as an accurate record.</p>	Paper (3)
5.	<p>MATTERS ARISING FROM THE MINUTES</p> <ul style="list-style-type: none"> • The Principal explained that the Safeguarding Risk Register had been populated with Committee suggestions. Closed • The new senior post holder appraisal was already implemented and in progress. Closed • The Principal confirmed the risk register had been updated to reflect the implementation of what had been asked for by the Committee. Closed • It was confirmed the External Auditor costs had been signed off by the Chair of the Corporation. Closed 	Paper (8)
6.	<p>INTERNAL AUDIT REPORTS</p> <p>6.1 Safeguarding</p> <p>Committee were updated on:</p> <ul style="list-style-type: none"> • Transition to My Concerns from Teams • Updated policies and mandatory training rolled out and completed by all relevant staff. <p>Committee questioned:</p> <ul style="list-style-type: none"> • On Page 6 Para 3.2 asking if the date should read 2023 instead of 2022, which was confirmed and will be amended. • A recommendation was made that Page 7, Para 3.5 second paragraph down the sentence be re-worded. • The footnote on Page 7 and were informed that CW was due to do refresher training in the July but had to postpone it, but has actually completed it two weeks ago. • The statement that the transition to My Concern is not fully implemented and were informed this was correct at the time the audit was taken but is not the case now as it is fully implemented and live. • Committee recommended a reconstruction of the sentence at Section 6.1. <p>6.2 Apprenticeships</p> <p>Committee asked:</p> <ul style="list-style-type: none"> • Why there has been a delay for this Audit and were informed that the work is done by a specialist team who actually do the contract work for the ESFA and the unacceptable delay was purely down to staff capacity. More evidence has been requested and this has been provided and it is expected that the Report should be with the College by the end of next week. Once received the Principal will review, finalise and circulate to the Audit Committee before it comes to Board. <p>6.3 Learner Numbers</p> <p>Committee were updated on:</p> <ul style="list-style-type: none"> • Three categorisations used within the report. 	Paper (9)

	<p>Committee questioned:</p> <ul style="list-style-type: none"> • The impracticalities of being able to get numbers perfect because of their fluidity. • What the issue was around the loans portal and were informed this was a simple mistake and students do have access to the loan system. • Internal Auditor agreed to take the comments of the Committee to the expert. 	
7.	<p>INTERNAL ANNUAL REPORT</p> <p>Mazars apologised to the Committee for the delays in submitting the final two reports which arose for a variety of reasons. Committee were informed of:</p> <ul style="list-style-type: none"> • Mazars’ findings that the College in general, has a Moderate framework for identifying, evaluating and managing the significant risks faced by the organisation in place. • Reviewed the weaknesses identified and reported in the internal audit reports, in particular the Learner Numbers, • Informed that the College has an adequate, effective and reliable framework of internal control and effective risk management and governance processes. • Provision of reasonable assurance regarding the effective and efficient achievement of the organisation’s objectives. • That one review is currently in draft format, but this review will not impact this opinion once the underlying reports have been finalised. • No instances of actual or suspected fraud have been encountered during the audit 	Paper (57)
8.	<p>RISK REGISTER & RISK MANAGEMENT REPORT</p> <p>Committee were informed of:</p> <ul style="list-style-type: none"> • A full review of the risk register each term by the Committee will be conducted and Time scales have been added. • The highest risks remain as Safeguarding, Competition, Quality and Income <p>Committee challenged the College on:</p> <ul style="list-style-type: none"> • The number of risks being allocated to the Vice Principal of Central Services and whether there is sufficient resource within their team to complete these and were informed there should be no issues with completion. • If there was enough mitigation for the risk of a cyber attack, Principal confirmed there is and that the JISC system is excellent and recent testing have confirmed this • All staff are aware of the issues and their responsibilities for Cyber Security. 	Paper (69)
9.	<p>HEALTH AND SAFETY</p> <p>Committee were informed of:</p> <p>The report was for the first six weeks of term and that the Health and Safety Department has initiated the 2nd phase of implementation of a new management software system, Smartlog by Safesmart.</p> <p>Four departments are now live, which supports the reporting and tracking of information.</p> <p>The last Health and Safety Committee meeting was held on 26 June 2023, and the next one is due to be held on 7 December 2023.</p> <p>The incidents in this current academic year being low which is surprising and bucks the usual trend</p> <p>For students with allergies, their lanyards contain the necessary information for First Aiders.</p>	Paper (70)

	<p>The College continues its drive to increase the number of first aid trained staff. The College experienced an unplanned fire evacuation on 18th September 2023, resulting in significant delays in returning to the college, due to difficulties for Mitie in resetting the fire panel. Despite these concerns, the overall execution of the fire evacuation procedure was well-conducted.</p> <p>Committee expressed concern: That Mitie could not re-set the fire panel and were informed that Mitie have suffered the loss of three management leaders resulting in a lack of skilled staff being on site who can manage the fire panel.</p> <p>College informed Committee of:</p> <ul style="list-style-type: none"> • There concerns with Mitie management and that several reports are still outstanding. • Another fire drill is planned • Legionella testing for the Sports Hall and Construction Centre was conducted at the end of the Spring term, with no concerns raised from the results. • All mandatory training is up to date apart from Fire Safety which is in progress and College continue to conduct training in house. • The waste contractor, Environmental Solution Waste Management (ESWM), has been consistently supportive of the college's waste management efforts. Additional recycling bins have been provided for the foundation learning area. • A new contractor will soon take over dog bin waste collection from West Berkshire Council and the issues around dog walkers and that the College is increasing its • patrols to tackle this. • That the Mitie contract is due to expire in July 2027. • Health and Safety Policy is due for review in March 2024. 	
<p>10.</p>	<p>FINANCIAL STATEMENTS AUDIT (FSA) PLAN 2022/23 FINANCIAL STATEMENTS YEAR END 31 JULY 2022 To consider and review reports: 10.1 Audit Management Report 2022-23 Committee were informed of the:</p> <ul style="list-style-type: none"> • Auditors report to governors and that it was a clean audit for regularity for the last 12 months. • The quality of information that was provided was good and effectively benefited the audit. • College is reporting effectively and continues to strive forward on this. • The salient points on “Going Concern” were successfully concluded on the sale of land with the initial £1m in the bank and the final £2m due in June 2024. • The College has sufficient cash reserves for the next 12 months. <p>10.2 Annual Report and Financial Statements 2022-23 Committee reviewed the Annual Report and Financial Statements that were compiled by the Finance team and agreed by the auditors, based upon the financial data considered throughout the process of audit.</p> <p>Committee asked:</p>	<p>Paper (74)</p> <p>Paper (92)</p>

	<ul style="list-style-type: none"> For clarification on writing off of bad debt and it was explained that if this accumulates too far then permission has to be sought from the ESFA on this, but College were in no danger of that. <p>Committee noted that:</p> <ul style="list-style-type: none"> The funding records provided for the external auditors for assurance were reviewed and Auditors were comfortable with the numbers being produced. The Pension scheme has significantly reduced which was surprising but was not an issue and Committee were in agreement to continue with present scheme. There were no major concerns over the controls and systems but some very minor amendments recommended. Bursary funds were being underspent and recommendation made to utilise these if possible and were informed that bursaries are reviewed in February of each year and around 350 students benefit from this and they are tracked. AEB funding for 2022/23 was reviewed and that it will continue into 2023/24. <p>10.3 Letters of Representation The Committee noted:</p> <ul style="list-style-type: none"> The contents of the two letters of representation, one relating to the audit of the financial statements and the other the Regularity Assurance Engagement. This is an annual requirement, with the draft wording being provided by the auditors for governors to approve and sign at the meeting of the Board at which the audit outcomes are presented. <p>Audit Committee duly noted both letters of representation.</p> <p>10.4 Regularity Self Assessment Questionnaire The Committee were informed:</p> <ul style="list-style-type: none"> ESFA publishes a regularity self-assessment questionnaire (RSAQ) to provide clarity of the accountability framework, key requirements and the type of evidence corporations may need to provide to their reporting accountant. This must be prepared annually to support corporations in drafting their statement of regularity, propriety, and compliance. Corporations must provide a copy of their completed RSAQ to the reporting accountant, signed by the accounting officer and chair of governors. <p>Committee considered there were no issues to note. It is to be noted that Chris Mantel and Richard Bott left the meeting at 17.00 hours</p>	<p>Paper (148)</p> <p>Paper (153)</p>
<p>11.</p>	<p>ANNUAL REPORT OF THE WORK OF THE AUDIT COMMITTEE 2022-23 Audit Committee were informed:</p> <ul style="list-style-type: none"> That the report has been drafted and does lack the final report needed from the Internal Auditors. Once it is received it will be incorporated into the report and on to the Board and then to the ESFA. 	<p>Paper (175)</p>
<p>12.</p>	<p>APPOINTMENT OF INTERNAL AUDITORS Committee were informed that:</p> <ul style="list-style-type: none"> Mazars, the current internal auditors have come to the end of their contract. 	<p>Paper (182)</p>

	<ul style="list-style-type: none"> • The college went out to tender, through the Crescent Purchasing Consortium framework for Internal Audit Services with a closing date of 16 October 2023. Four bids were received. • MacIntyre Hudson LLP • Scrutton Bland LLP • TIAA Ltd • HW Controls & Assurance Ltd (t/a Validera) <p>Committee were further informed of:</p> <ul style="list-style-type: none"> • A preliminary discussion took place with Wylie Blisset who chose not to bid based on their geographical distance from the college. • The bid from TIAA was rejected as it was priced significantly higher than the other three bids and would require significantly more time input from the College. • The bid from Scrutton Bland was the cheapest tender. Clarification on the pricing in relation to onsite, remote or hybrid delivery was sought but the reply lacked sufficient detail to allow a true comparison. The presentation of the tender reply was also difficult to review and was therefore deemed to fall below the professional standards expected. • The bids from MacIntyre Hudson and Validera were both considered to meet the requirements and to be presented well. Both offered details of the team that they would engage on the audits and acknowledged the need for continuity of staff. • MacIntyre Hudson were considered to be better in terms of their quality assurance processes and the implementation plan for commencing the assignment. Bids have been assessed by a panel comprising Chair of Audit Committee, Principal and Finance Director on 31 October 2023 and it was decided to recommend MacIntyre Hudson LLP as the best fit for the College's requirements. <p>Audit Committee duly approved the appointment of MacIntyre Hudson as Internal Auditors until July 2026 but asked for clarification on the price escalation for each year.</p> <p>Action: Finance Director to clarify the MacIntyre Hudson price uplift year on year for the duration of the three year contract.</p>	
13.	<p>ANY OTHER BUSINESS</p> <p>There was none.</p> <p>Meeting Closed at 17.48 hours.</p> <p>Date of Next Meeting: Monday 19 February 2024 at 4pm – UCN Room 284</p>	Verbal

Signed:

C.D.Wilson

Chris Wilson (Feb 27, 2024, 3:31pm)

(Chair)

Date:

27 Feb 2024



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