

Minutes of a Meeting of the AUDIT COMMITTEE held on
Wednesday 2 March 2022 at 4.00 pm
in Room A34

01/22 DECLARATIONS OF INTEREST

There were no declarations of interest.

02/22 APPROVAL OF THE NON-CONFIDENTIAL MINUTES OF THE MEETING OF 1 DECEMBER 2021

With one amendment the minutes were approved as a true record of the meeting.

03/22 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 1 DECEMBER 2021

It was noted that all current matters arising had been addressed, with one to be actioned in the 2022 Summer Term.

04/22 INTERNAL AUDIT REPORT 2021/2022 – VISIT 1

The Director of Finance introduced the report, stating that the areas covered were: Estates Management, Capital Project Planning, Fraud and Irregularity and the Single Central Record. She added that of the four areas audited, two received “reasonable assurance” and two received “substantial assurance”.

The Internal Audit Representative then took members through the detail of the report, informing them that as part of the planning review, the Audit Team discussed the risks with the Assistant Principal (Finance and Resources) and Campus and Health and Safety Manager, to ensure that the Audit work focussed on the current risks facing the College. She said that it was a very positive audit outcome and the review of the Single Central Record (SCR) was particularly pleasing, showing that it is very well managed and compares favourably with SCR audits in other organisations.

A new member asked whether the Audit Team had been given all the necessary support and the Internal Audit Representative said that they have a very open and frank working relationship with the college staff, contrasting favourably with many other organisations that they audit. She added that several years ago, when a number of areas of concern were evident in other colleges, the Director of Curriculum had asked the auditors to focus rigorously on these areas to ensure that the College was not vulnerable. In conclusion, she said that the College encourages the auditors to carry out forensic audits and any resulting recommendations are embraced and actioned.

The Chair thanked the managers of the audited areas for their hard work and said that 'substantial assurance' in two challenging areas is an excellent outcome.

The Committee CONSIDERED the report.

05/22 COLLEGE RISK REGISTER

The Assistant Principal (Finance and Resources) informed members that the focus of the latest update of the Risk Register was on new and emerging risks, with some amendments to established risks. He said that eleven areas of risk were focused on and some of the eleven were moderated. Of the eleven, two new risks were added to the register, three risks had amendments to scoring and one risk was identified for removal as the risk issue was fully mitigated.

A Member agreed the retirement of the Principal was a risk but stressed that consideration should be given to potential risks associated with the departure of any senior manager, particularly in conjunction with the retirement of the Principal. Risks associated with a change in the Labour Market were considered and the Assistant Principal provided examples of areas of concern.

A Member made an observation that the Risk Register is an excellent document but is complex and hard to access and wondered how it could be made more accessible. The Internal Audit Representative responded that in her opinion, risk assurance is in a good place in the College, the Risk Register is a very good document and serves as an effective working tool for the College.

The Assistant Principal stressed the rigor of the Risk Assessment process and informed Members that there is a requirement for all relevant staff to provide evidence for mitigation of risk in their area of responsibility. Members were pleased to note that the risk register process is embedded in the College and were reassured that there is genuine ownership by Heads of Department. The Committee CONSIDERED the report.

06/22 ANNUAL REVIEW OF RISK MANAGEMENT POLICY

The Committee APPROVED the updated Risk Management Policy.

07/22 UPDATES TO FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

The Director of Finance reminded members that the financial regulations are the subject of an annual review and approval by Corporation. However, an interim review and revision of the financial regulations has been undertaken in- year and is being presented to the Audit Committee.

The Committee CONSIDERED and RECOMMENDED the revised Financial Regulations and Financial Procedures to Corporation for APPROVAL

08/22 AUDIT ISSUES LOG

The Assistant Principal (Finance and Resources) reminded members that the Audit Issues Log is not a mandatory requirement of audit but is provided for the Committee to ensure action points recommended by auditors are being actioned in a prompt effective manner.

A lengthy discussion took place regarding the College business continuity plan and The Principal stated that the plan had not been a highly relevant document in practice during the management of Covid 19. She said that it would be helpful to have a formal evaluation of the College's response to, and management of, Covid 19 and the lessons learnt. In conclusion she said that, based on lessons learned during the last two years, the College needs a document that is valuable to the end user. Members noted it was used during the management of Covid 19 but there were practical issues in using a large policy document during a crisis.

The Assistant Principal agreed and said that the current continuity plan does need to be reviewed and revised.

The Committee CONSIDERED the report.

09/22 ANNUAL REPORT ON POLICY RENEWAL AND PROGRESS

Members noted the system for monitoring and updating policies and a discussion then took place regarding the status of the GDPR policy. A Member stressed that management of data is a high-risk area, with punitive financial penalties for serious breaches. He asked whether the policy should be reviewed on an annual basis. Following discussion, it was agreed that, having taken external advice, monitoring, review and revision of the policy should remain within the College system and Members were reassured that it is being monitored.

The Committee CONSIDERED the report.

10/22 REVIEW OF PERFORMANCE OF EXTERNAL AUDIT SERVICE 2021/22 (CONFIDENTIAL MINUTE)

11/22 DATA PROTECTION/ DATA BREACHES REPORT

The Chair commented that whilst he had some concerns that there were no breaches reported he was reminded that, for example, merely incorrectly addressing an email in itself wouldn't necessarily be considered a breach unless it included sensitive information

The Committee NOTED that since the last report in October 2021 there have been no identified data breaches.

**12/22 ANNUAL REVIEW OF CONTRACTS: BANKING/LLEGAL/INSURANCE/CATERING/
CLEANING**

The Committee CONSIDERED the report and noted that the tendering process for External Audit Services has been initiated.

13/22 AUDIT COMMITTEE TERMS OF REFERENCE

The Committee CONSIDERED and RECOMMENDED the updated Audit Committee Terms of Reference to Corporation for APPROVAL

14/22 ANNUAL REPORT ON DELAMITE LIMITED

The Director of Finance informed members of the current status of Delamite and drew attention to the attached report from the Education Tax and VAT specialist at RSM.

Following discussion, a Member suggested that the assumption regarding non-charitable expenditure should be challenged.

The Committee CONSIDERED the report.

15/22 ANY OTHER BUSINESS

There were no items of any other business.

16/22 DATE OF NEXT MEETING

Wednesday, 15 June 2022, 3.00pm – 4.30pm, room A34.