

Minutes of a Meeting of the Audit Committee

Venue: TEAMS

Date: Wednesday 6 October 2020

Time: 4.00pm – 4.30pm

Present: Sheila Alexander (Chair)
George Clark
Jackie Watson

In Attendance: Lindsey Whiterod (Chief Executive Officer)
Neil Longstaff (Director of Governance)
Jane Cuthbertson (Chief Finance Officer)
Steve Chittenden (Head of Finance)
Philip Church (RSM)
David Hoose (Mazars)
Jim Dafter (Mazars)

ITEM NO.	ISSUES	ACTION
1.	<p>Meeting with Auditors in Absence of Management</p> <p>The Chair welcomed everyone to the meeting.</p> <p>Representatives from Mazars stated that they had no issues to raise with governors and they reported that they had received full co-operation from the management team.</p> <p>RSM stated that there were no areas of concern and that they were now planning for the first audit.</p> <p>LW, SC and JC joined the meeting.</p>	
2.	<p>Apologies for Absence</p> <p>The Committee approved an apology for absence received from Mark Overton after having first considered the reasons for his absence.</p>	
3.	<p>Declarations of Interest</p> <p>The Chair reminded members to declare any conflicts of interest as they arose on the agenda.</p>	
4.	<p>Minutes</p> <p>The minutes of the Audit Committee meeting held on 4 March 2020 were approved and to be signed by the Chair.</p> <p>Matters arising</p>	

	<p><u>4.1 Audit Tracker</u> NL confirmed that the HR: Capability Disciplinary and Performance Management had been removed from the audit tracker.</p>	
<p>5.</p>	<p>Approval of College Audit Strategy Memorandum 2019-20</p> <p>The Audit Plan and Strategy 2019/20 was presented and outlined to the members of the committee for their consideration.</p> <p>The main purpose of the audit would be to issue a report to the Board of Governors, which expressed auditors opinion on whether the financial statements:</p> <ul style="list-style-type: none"> • gave a true and fair view of the state of the College’s affairs as at 31 July 2020; • had been properly prepared in accordance with accounting standards and with the Statement of Recommended Practice. <p>In particular, this paper:</p> <ul style="list-style-type: none"> • described the overall strategy and scoping; • the approach to materiality; and • identified the significant audit risks and areas of key judgements. <p>Significant risks/key judgement areas that required to be assessed in all cases were:</p> <ul style="list-style-type: none"> • Fraud risk from revenue recognition. • Fraud risk from management override of controls. • Pensions. • Covid-19, covenant compliance and going concern • Tangible fixed assets <p>Auditors were also to carry out a limited assurance engagement on regularity.</p> <p>It was noted that much of the work to be conducted by auditors would be achieved remotely and that the ESFA had extended the filing deadline to the end of January 2021 owing to the Covid pandemic, although it was expected that the College’s audit could be completed with the normal timeframe.</p> <p>Additional work would be undertaken with regard to the impact of Covid i.e. auditors would be considering the governance arrangements, whether the College had taken advantage of any government support mechanisms, whether it had been able to continue to pay suppliers etc.</p> <p>Governors attention was drawn to Appendix B (Further Education Sector Update) as there were a number of areas that were updated or new e.g. aspects of Office for Students to be covered.</p> <p>Q. Can the College comply with the requirements given that the audit will be remote? JC stated that this should cause no concern as staff had been coping to date. SC reported that Mazars had a central portal where documents could be uploaded and shared.</p> <p>JD stated that the response from staff had been quick and could foresee no problems.</p> <p>Q. Anyone still on furlough? Some support staff were working from home but there was some delivery on site – no-one on furlough at present.</p> <p>Q. Assessed on materiality level? Yes, metric based on revenue and usually based around 1½% of revenue.</p>	

	<p>Responding to a query it was confirmed that on P33, the accounts should state 31 Jul 2020 not 20209.</p> <p>Q. Filing accounts by 31 December? JC confirmed that this was the College's intention.</p> <p>Resolved: That the Committee receives and agrees the report.</p> <p><i>DH left the meeting.</i></p>	
<p>6.</p>	<p>Internal Audit Strategy 2020-23 and Plan 2020-21*</p> <p>This strategic plan and annual internal audit plan set out the scope of the planned work to be undertaken by internal audit for 2020-21 within a wider 3 year strategy.</p> <p>This plan was developed based on consideration of the College's strategic objectives, risk profile and assurance framework as well as other factors affecting the College in the year ahead including changes within the sector.</p> <p>It was reported that the internal audit priorities had been discussed and agreed with the following at the College:</p> <ul style="list-style-type: none"> • Chief Finance Officer; • Senior Executive Group; and • Audit Committee. <p>It was stated that as the developments around Covid-19 would continue to impact on all areas of the College's risk profile, auditors would work closely with management to deliver an internal audit programme which remained flexible and agile to ensure it met the College's needs in the current circumstances.</p> <p>Potential internal audits were identified and prioritised for 2020-21 based on areas viewed as of greatest benefit. The reviews planned for 2020-21 were detailed in the report. It was expected that the majority of work would be conducted remotely but there could be areas where auditors needed to be on site.</p> <p>Governors were asked to consider the following:</p> <ol style="list-style-type: none"> i) Did the plan reflect the key risks as recognised by Audit Committee; ii) Were the resources sufficient, and iii) Were the areas of selected for review appropriate in terms of the risk profile of the College. <p>Governors sought clarification on the risks. The CEO stated that she was comfortable with the risks identified within this plan.</p> <p>Q. Happy with order of reviews? JC responded explaining that she was content with the dates agreed.</p> <p>Responding to a query, NL confirmed that an audit tracker had been presented to the Emergency Planning Committee on 17 June 2020.</p> <p>Resolved: That the Internal Audit Plan 2020-21 and Strategy 2020-23 is recommended to the Board for approval.</p>	

7.	Any Other Business None.	
8.	Date and Time of Next Meeting Wednesday 2 December 2020 at 4.00pm via TEAMS	
9.	Identification of Confidential Items None.	

Signed:

Date.....