

Minutes of the Audit Committee Meeting

held Wednesday 9 March 2021

Present Joanne Chilton (*Chair*), Mark Richardson, Thomas Huntbatch
In attendance Jacquie Carman (*Vice Principal and Chief Operating Officer*)
 Clare Parkes (*TIAA Ltd*)
 Andrew Dobson (*Principal*)
 Jennifer Sunter (*Clerk to the Corporation*)

1	Apologies
	Apologies were received on behalf of Anna Spencer-Gray (RSM UK Audit LLP).
2	Declarations of Interest
	There were none.
3	Minutes of the Audit Committee Meeting held 20 January 2021 and Matters Arising
	The minutes of the Audit Committee Meeting held 20 January 2021 were approved as a correct record. Under matters arising, the remaining outstanding action of providing an update on the Conditions of Current Funding - Self-Assessment of Compliance, Financial Memorandum, was addressed under the agenda.
4	External Auditor - Assessment of Performance Indicators for 2019/2020 and indicators for 2020/2021
Action 4a	While it was noted that the performance indicators in place remained appropriate, it was necessary to defer the report until June 2021.
5	Progress Report on Internal Audit Action Plans
	Jacquie Carman reported that the remaining action had now been closed.
	The Audit Committee authorised that the final closed items be removed from the list.
6	Audit Plan 2020/2021 Mid-Year Update (verbal update)
	Jacquie Carman reported that internal audits had commenced with the digital services audit, and that initial feedback was both positive and useful. The College was focused on ensuring resilience and working safely online. The Chair checked and Clare Parkes confirmed that internal auditors were happy with the current timescales for audit work. The update was received with a further review due in June 2021.

7	<p>Conditions of Current Funding - Self-Assessment of Compliance, Financial Memorandum Update</p>
	<p>Members noted that the College remains compliant with the Financial Memorandum and through self-assessment identifies actions to further enhance procedures.</p> <p>A member asked if the level of cover with regards to Indemnity for the 'Department for loss/damage; breach of statutory duty' had been addressed and Jacquie confirmed that conditions of grant funding were in place for the required level.</p>
<p>Action 7a</p>	<p>Members asked questions about the rating of actions which had been closed, particularly those rated red or amber. It was agreed that future reporting would include additional rag rating of closed actions, to more clearly reflect current status.</p>
	<p>The Audit Committee received the update on actions taken under the Self-Assessment of Compliance, Financial Memorandum noting that there were no points of concern.</p>
8	<p>Risk Management Mid-Year Update 2020/21</p>
	<p>Members received an update on the process of risk management at the College.</p> <p>Jacquie Carman noted that there had been separate risks associated with the pandemic, but that looking beyond this there remained a range of non-related risks to monitor.</p> <p>Key risks remained around funding contract targets and changes to funding methodologies. The College was mindful of its role in supporting the community in the route back to prosperity. This would involve responding to change, as already indicated through the most recent white paper 'Skills for jobs: lifelong learning for opportunity and growth' and earlier reports, including the Ney Review. Risks relating to leaving the European Union also remained unclear.</p> <p>Jacquie Carman further highlighted the risk opportunities that provided positive areas of consideration. This was welcomed by members, particularly that following further work, the value of these could be articulated to the Corporation.</p> <p>Members also asked for clarification on course costing and information for governors. Jacquie Carman explained the current process and allocation, which included modification relating to course type.</p>
<p>Action 8a</p>	<p>It was agreed that a report for the Corporation on course costing could be provided, alongside the budget setting reports for Finance and General Purposes Committee and Corporation in June 2021.</p>
	<p>Members further noted that the risk action plan had been updated and that there remained one red and two amber rated risks. While recognising that the risk landscape had increased, there was specific work to address, including around competition, branding, curriculum, adult skills, work placements and systems for tracking and monitoring.</p>
	<p>The Audit Committee approved the Risk Management Mid-Year Update 2020/21, noting one red and two amber risks.</p>
9	<p>Anti-Fraud Self-Assessment Checklist and Suite of Policies: Anti-Bribery Policy, Anti-Fraud Policy and Anti-Money Laundering and Proceeds of Crimes Policy</p>
	<p>Jacquie Carman reported that a self-assessment re-evaluation had been undertaken and processes and procedures were in place.</p>

	<p>Jacque Carman highlighted that the current time of uncertainty for many people, could increase risk in drivers for committing fraud.</p> <p>Members were asked to note in particular that:</p> <ul style="list-style-type: none"> • The operational audit plan for 2020/21 included a review of digital systems, with the internal audit work completed. The emphasis being on a secure network. The College was also seeking accreditation for Cyber Essentials+. • The audit plan included a systems-based audit on key financial controls. • Staff wellbeing remained at the fore-front of the College Leadership agenda. • The Human Resources Business Partner was supporting HCE staff throughout the period of furlough.
	<p>The Audit Committee received the Anti-Fraud Self-Assessment Checklist and the suite of policies, which would be provided to the Corporation for information, and included:</p> <ul style="list-style-type: none"> • The Anti-Bribery Policy • The Anti-Fraud Policy • The Anti-Money Laundering, Terrorist Financing and Proceeds of Crime Policy
10	<p>Any Other Business</p> <p>There was none.</p>
11	<p>Date of Next Meeting -</p> <p>The next meeting of the Audit Committee is scheduled for Tuesday 8 June 2021</p>

The meeting closed: the meeting closed at 6.45pm

Actions from Meetings		
Audit Committee Meeting 9 March 2021		
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