

**Minutes of the meeting of the Audit Committee held on Tuesday 2 June 2020 at 4.00pm
via Microsoft Teams**

Present: Simon Taylor (Chair)
Marie Lang (Governor)
Tracey Johnson (Governor)
David Shepherd (Governor)

In attendance: Heather Jackson (Director of Governance and Clerk to the Corporation)
Tony Johnson (Vice Principal – Corporate Services)
Ben Owen (Deputy Principal Development)
Laila Lawton (Vice Principal – Finance)
Ian French (Vice Principal – Funding, Data & Compliance)
Debbie Watson (Grant Thornton – External Audit)
Robert Barnett (RSM)
Lisa Smith (RSM)

PART I – For Publication

Minute	
PROCEDURAL MATTERS	
A20/019	<p>Agenda Item No. 1: Quorum</p> <p>The Chair welcomed new Governors Marie Lang and Tracey Johnson and the new Vice Principal Funding, Data and Compliance, Ian French.</p> <p>The meeting was quorate.</p>
A20/020	<p>Agenda Item No. 2: Apologies for Absence</p> <p>Apologies were received from Suki Rai, Liz Leek, Toni Rhodes, David Akeroyd, Anastasia Mullen, Monika Liskiewicz</p>
A20/021	<p>Agenda Item No. 3: Declarations of interest:</p> <p>Tracey Johnson declared her interests as an employee of Barnsley Metropolitan District Council and noted that Wellspring Trust and ITS were both tenants of the Digital Media Centre which she managed. David</p>

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	Shepherd declared his interest as an employee of Barnsley Metropolitan District Council.
A20/022	<p>Agenda Item No. 4: Minutes of the last meeting held on 10 March 2020.</p> <p>The minutes were approved as a correct record.</p> <p>It was RESOLVED to approve the Minutes of the meeting held on 10 March 2020</p> <p>The minutes were signed by the Chair virtually.</p>
A20/023	<p>Agenda Item No. 5: Matters arising from the last meeting</p> <p>There were no matters arising.</p>
A20/024	<p>Agenda Item No. 6: Rolling action list</p> <p>Financial Regulations (master contract spend) – this was an agenda item at the meeting.</p> <p>OfS reporting – this was an agenda item at the meeting.</p> <p>ITS BAF – it was agreed that the ITS BAF would remain separate and the item was noted as completed.</p> <p>Zero rated buildings risk – the VP Finance continues to review this issue.</p> <p>External Audit – this was an agenda item at the meeting.</p> <p>It was RESOLVED to note the Rolling Action List.</p>
A20/025	<p>Agenda Item No. 7: Notification of any other business</p> <p>There were no items of other business.</p>
MATTERS FOR DISCUSSION AND MONITORING	
A20/026	<p>Agenda Item No. 8.1: Progress Report 19/20</p> <p>Lisa Smith (RSM) presented the Progress Report to the Committee. It was noted that no audits had been scheduled since the last Audit Committee</p>

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	<p>but regular catch up meetings had taken place between RSM and the College and two audits have been scheduled remotely for the week commencing 1 June 2020 (Follow up and Health & Safety). The remainder of the internal audits for the year have been provisionally scheduled for the Summer using remote technology. It was noted that virtual auditing took a different approach but this would have no impact on the quality of the audits being undertaken. Where appropriate, auditors were being given additional time although it was noted that there may be an issue with seeing some physical paperwork but that RSM were working with the College to resolve this. RSM still planned to complete the audit schedule in time for the September meeting. The Chair noted that this would result in a large agenda and the Clerk agreed to review and reprioritise the agenda before the next meeting.</p> <p>ACTION: Clerk to review the agenda for the next Audit Committee.</p> <p>It was RESOLVED to note the Progress Report 19/20.</p>
<p>A20/027</p>	<p>Agenda Item No. 8.2: Internal Audit Strategy 2020/21 to 2022/23</p> <p>Lisa Smith and Rob Barnett (RSM) presented the Internal Audit Strategy for 2020/21 which included:</p> <ul style="list-style-type: none"> • Student experience • Higher Education Framework • Risk Management • Governance • Business Planning • Key Financial Controls – general ledger • Learner records <p>Governors were asked to consider whether the proposed internal audit plan addressed the key risks and provided them with sufficient assurance and the appropriate priorities for the coming year. The Chair asked whether the timings of the proposed survey would provide appropriate and timely information to the College and governors discussed the need to move forward the review of mental health and wellbeing.</p> <p>Governors asked how lessons learnt from Covid-19 would be applied to disaster recovery and business continuity and the VP Corporate Services noted that this information was used in assurance mapping linked through to the Board Assurance Framework as well as in day to day working practices.</p> <p>Governors discussed whether there was a need to move forward any other audits to support the impact of Covid-19 and it was noted that there was an element of flexibility on the plan to allow for changes in year if required.</p>

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	<p>The Deputy Principal agreed to review the proposed changes with RSM and finalise the internal audit plan.</p> <p>Governors were asked to approve the plan subject to the proposed changes and agree the proposed internal audit fee.</p> <p>It was RESOLVED to approve the Internal Audit Strategy and Fee for 2020/21 and recommend its approval to the Board.</p>
<p>A20/028</p>	<p>Agenda Item No 9: External Audit Strategy</p> <p>Debbie Watson (Grant Thornton) presented the external audit strategy for the College and its subsidiaries. She highlighted a number of changes in financial reporting requirements as well as the impact of Covid-19 and the implications that this would have on the external audit for 2019/20.</p> <p>The proposed audit strategy was subject to change and it was noted that an update would be provided to the Committee in September.</p> <p>The main risks included the impact of Covid-19 on revenue streams, covenants and the going concern assessment which consistent across the sector. Work would focus on sensitivity analysis and reverse stress testing and it was noted that changes to reporting requirements meant that there would more detailed testing carried out as part of the audit. It was also noted that a number of new risks had been identified including future delivery and use of estate assets.</p> <p>The VP Finance noted that conversations were ongoing with the banks around covenants and this had also been discussed at the Board meeting in May.</p> <p>It was noted that Smartstyle and ITS were included in the group for this audit year.</p> <p>The VP Finance noted that she had discussed the strategy and fees and was comfortable with the proposal. It was a large increase in the previous year's fee but reflected the inclusion of ITS and Smartstyle.</p> <p>Governors asked how much the external audit relied on the internal audit work and there was some discussion on the differences in the nature of work, however it was noted that they do rely on the risk assessment work and any areas that this might identify.</p> <p>The Governors discussed FRC monitoring and whether it provided any insights into the education sector and it was noted that it tended to be used more to provide lessons learnt. It was noted that the audit will be robust but more challenging of management this year.</p>

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	<p>Governors were asked to approve the proposed external audit strategy and the increased fees.</p> <p>It was RESOLVED to approve the External Audit Strategy and fees and recommend its approval to the Board. .</p>
<p>A20/029</p>	<p>Agenda Item No 10: OfS and other financial reporting</p> <p>The VP Finance presented a short report to the Committee on financial reporting updates and it was agreed that a checklist summarising compliance with these changes would be presented alongside the annual accounts.</p> <p>ACTION: to present a checklist of reporting changes alongside the annual accounts in December.</p> <p>It was RESOLVED to note the update on financial reporting.</p>
<p>A20/030</p>	<p>Agenda Item No 11: Master Contract Spend Update</p> <p>The VP Finance presented the report on Master Contract spend and noted that any items over £100k were reported to Board through the Management Accounts.</p> <p>It was RESOLVED to note the report on Master Contract Spend update.</p>
<p>A20/031</p>	<p>Agenda Item No 12: Covid-19 Update</p> <p>The VP Corporate Services presented the Covid-19 update and highlighted the following since the report had been issued:</p> <ul style="list-style-type: none"> • Phase A return from 15 June for invited only students • Phase B from mid August • Signage was being updated across the campus • Floor 5 & 6 at Old Mill Lane would not be used. • There would be a phased start for staff and students • Heads of Department were being asked to refine their lists of which staff and students would return. • Test and refer was now in place • Coach transport was in place with a maximum of 9 students per coach • There would be duty manager at all time to react, coordinate and enforce.

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	<ul style="list-style-type: none"> All plans were subject to feedback from staff and the Joint Consultative Committee (JCC) <p>Governors noted the work that had been undertaken to produce the plan and it was noted that the process would continue to evolve with lessons learnt from each phase informing the next. All staff would be required to undertake an online induction before returning to the College and vulnerable staff and students would not be expected to return at the moment.</p> <p>The Covid-19 group meets weekly and will monitor phase A of the return very closely. Governors noted that ongoing conversations with the JCC will review risk assessments and feedback would be sought to ensure safety can be upheld wherever possible whilst ensuring that legal and other guidance is followed.</p> <p>It was noted that staff and students would be encouraged to continue to work from home.</p> <p>Governors asked if Covid-19 had any impact on the new build and it was noted that there were no delays forecast as contractors had continued to work since March. T-Levels implementation was on schedule for September and the College continued to engage with employers in its development.</p> <p>It was RESOLVED to note the report and actions taken.</p>
A20/032	<p>Agenda Item No. 13: New Risk</p> <p>Governors discussed new risks and it was noted that that Covid-19 had impacted on many of the existing risks and this would be reflected in the Board Assurance Framework.</p>
A20/033	<p>Agenda Item No. 14: Transactions with companies listed in the register of interests</p> <p>Governors noted the report and the transactions noted.</p> <p>It was RESOLVED to note the report.</p>
A20/033	<p>Agenda Item No. 14: Review of Policies</p> <p>The VP Corporate Services presented the Whistleblowing Policy which was presented with minor amendments. Lisa Smith from RSM noted that they had provided some comments and it was agreed they would be reviewed before the policy was finalised.</p>

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	It was RESOLVED to note the Whistleblowing Policy and recommend its approval to the Board.
A20/034	<p>Agenda Item No. 15: Terms of Reference Update</p> <p>The Clerk noted that the current terms of reference required 5 members of the audit committee and recommended that Kay Dickinson be approached to join on a temporary basis until a new permanent member was appointed.</p> <p>It was RESOLVED to approach Kay Dickinson to join the committee on a temporary basis.</p>
A20/035	<p>Agenda Item No. 16: Clerks Monitoring of Audit Recommendations</p> <p>The Clerk presented the report and noted that there was one recommendation at the last audit committee relating to the completion of forms which had now been completed.</p> <p>It was RESOLVED to note the Clerks Monitoring of Audit Recommendations report. .</p> <p>It was RESOLVED to incorporate all agreed management actions arising from today's meeting into the Clerk's Monitoring of Audit Recommendations report for future meetings of the Committee.</p>
A20/036	<p>Agenda Item No. 13: Any other business</p> <p>There was no other business</p>
A20/037	<p>Agenda Item No. 14: Date and time of next meeting</p> <p>Tuesday 22 September 2020 at 4.00pm Tuesday 8 December Tuesday 9 March Tuesday 15 June</p>

The meeting ended at 5.46 pm

Signed (Chair): **Dated:**