

**Minutes of the meeting of the Audit Committee held on Tuesday 28 November 2023 at
4pm**

- Present:** Marie Lang (Chair & Governor)
 Carol Cooper-Smith (Governor)
 Emma Dawson (Co-opted member)
 George Graham (Governor)
 Donavan Hutchinson (Governor)
- In attendance:** Heather Jackson (Clerk)
 Gavin Batty (Deputy CEO)
 Tony Johnson (Vice Principal Corporate Services)
 Laila Lawton (Vice Principal Finance)
 Anastasia Mullen (RSM)
 Richard Buckby (TC Group)

PART I – For Publication

Minute	
PROCEDURAL MATTERS	
A23/069	Agenda Item No. 1: Quorum The meeting was quorate.
A23/070	Agenda Item No. 2: Apologies for Absence Apologies were received from Jess Leech, Mark Fogarty, and Sue Slassor.

<p>A23/071</p>	<p>Agenda Item No. 3: Declarations of interest</p> <p>There were no declarations of interest.</p>
<p>A23/072</p>	<p>Agenda Item No. 4: Minutes of the meeting held on 3 October 2023</p> <p>The minutes of the meeting held on 3 October 2023 were approved.</p>
<p>A23/073</p>	<p>Agenda Item No. 5: Matters arising.</p> <p>There were no matters arising.</p>
<p>A23/074</p>	<p>Agenda Item No. 6: Rolling Action List</p> <p>The Vice Principal Finance noted that there was no longer a risk from any of the zero-rated buildings.</p> <p>Progress against the Mental Health and wellbeing audit had been reviewed at the recent link visit.</p> <p>Recommendations from the college accounts direction had been reflected in the audit committee and college annual report and the DCEO noted that the wording was being changed in the IT policy and would be approved in December as recommended in the audit.</p>
<p>A23/075</p>	<p>Agenda Item No. 7: Notification of items of any other business</p> <p>The Chair noted an update from the AoC Chairs of Finance and Audit Committees.</p>
<p>A23/076</p>	<p>Agenda Item No. 8.1: Progress Report</p> <p>Anastasia Mullen presented the Progress Report. It was noted that all work for 2022/23 has now been completed. Fieldwork dates have been agreed for all the internal audits scheduled for 2023/24 to ensure that all will be completed by the end of the academic year and there have been no amendments to the plan.</p> <p>It was RESOLVED to note the Progress Report.</p>

<p>A23/077</p>	<p>Agenda Item No. 9: Going Concern and Management Judgements</p> <p>The Vice Principal Finance presented the Going Concern and Management Judgements. The College group is assessed as a going concern. Income and expenditure projections for 2023/24 and 2024/25 and the cash flow forecast up to July 2025 have been thoroughly assessed. An assessment of the mitigations in place to prevent scenarios leading to a breach in bank covenants has been conducted. This concluded that the College has robust mitigations in place and can introduce more measures if needed. The headroom available on covenant compliance is considered to be acceptable.</p> <p>ITS and Smartstyle are not assessed as a going concern and require confirmation from the College of its financial support for at least 12 months. The College has assessed whether it has sufficient resources to cover this and concluded that it can financially support ITS and Smartstyle for the next 12 months. The College has sought DfE approval for the letters and expects this to be granted in November.</p> <p>Governors noted the very comprehensive nature of the report and discussed whether other risks should be considered including the impact of a pandemic or cyber risk, inflation, or interest rates. It was noted that most of the college's loans were at fixed interests.</p> <p>It was RESOLVED to recommend the College as a going concern to the Board.</p> <p>It was RESOLVED to recommend to the Board, subject to DfE approval, that the College issue letters of financial support to ITS and Smartstyle for a period of 12 months to December 2024.</p>
<p>A23/078</p>	<p>Agenda Item No 10: Audit Findings</p> <p>Richard Buckby presented the audit findings and confirmed that they had maintained compliance with the FRC's ethical standard and were able to issue an objective opinion on the financial statements. Governors noted that it had been a clean audit from a regulatory perspective with no issues around income, fraud, or management override. It was also noted the pension valuation had been capped at nil as it was not prudent to recognise an asset.</p> <p>Governors noted a small number of minor issues around fixed asset classification and the need to clean the register along with an issue around direct entry of purchase invoices at ITS which had been resolved. It was noted that there were a number of pieces of software which might help with cleansing the asset register.</p>

	<p>Governors noted that they liked the review of previous years findings and that it had been an easy-to-read report.</p> <p>It was noted that overall the audit had gone well, and more time would be scheduled with key staff next year along with a review of scheduling.</p> <p>The Chair thanked everyone for their work in putting together the audit.</p> <p>It was RESOLVED to note the annual audit findings report, letters of representation and financial statements and recommend their approval to the Board.</p>
A23/079	<p>Agenda Item No 11: Audit Committee Annual Report</p> <p>The Clerk presented the annual report of the audit committee. It was noted the report summarises the Committee’s activities relating to the financial year under review and contains a statement of the Audit Committee’s opinion on the level of internal controls operating within the College. It had been updated to reflect amendments to the Post 16 ACOP, College Accounts Direction and requirements of Managing Public Money following the reclassification of the FE sector.</p> <p>It was RESOLVED to approve the report and recommend its approval to the Board.</p>
A23/080	<p>Agenda Item No 12: New Risk</p> <p>Governors noted the ongoing challenges with the IoT project. Options and next steps would be brought to the Board in due course including more detail on the risks associated with the different types of contracts.</p> <p>Governors noted that UCU had written to the college about an expected pay rise.</p> <p>It was RESOLVED to note the New Risks.</p>
A23/081	<p>Agenda Item No. 13: Assessment against the ESFA subcontracting standard.</p> <p>The DCEO presented the Subcontracting Standard Update. Governors noted that the College was still waiting for a report from the ESFA and the College was reviewing and implementing the recommendations from the RSM report as well as considering an additional central function to manage compliance across all departments.</p> <p>It was RESOLVED to note the Assessment against the ESFA subcontracting standard.</p>

<p>A23/082</p>	<p>Agenda Item No. 14: ESFA Financial Health Letter</p> <p>It was RESOLVED to note the ESFA Financial Health Letter.</p> <p>It was also RESOLVED to note that this did not need to come to the committee as it was noted by the Board.</p>
<p>A23/083</p>	<p>Agenda Item No. 15: Clerks Monitoring of Audit Recommendations</p> <p>The Clerk presented the Monitoring of Audit Recommendations report.</p> <p>It was noted that there were thirteen outstanding recommendations from the internal audits (safeguarding & prevent, learner records and procurement and contract management) which were in progress and all other recommendations had been implemented.</p> <p>It was RESOLVED to note the Clerks Monitoring of Audit Recommendations report.</p>
<p>A23/084</p>	<p>Agenda Item No. 16: Updates</p> <p>It was RESOLVED to note the Updates.</p>
<p>A23/085</p>	<p>Agenda Item No. 15: Any other business</p> <p>The Chair noted that she had attended an AoC Chair of Finance and Audit Committee meeting. Concerns around funding, staffing, utilities, borrowing, senior pay controls, opening hours, change of auditors and the potential change in government had all been discussed.</p>
<p>A23/086</p>	<p>Agenda Item No. 16: Date and time of next meeting</p> <p>Tuesday 5 March 2024</p>

The meeting ended at 17:08