

Minutes of the **Audit committee**
held on Monday 12th October 2020

Present: Kathy Newman (Chair), Dennis Bridges, John Dernie, Andrew Perrott,
Alexey Smirnov

With: Dominic Asater, Deputy Principal Resources
Stephen Horrobin, Deputy Principal Finance and Resources
Paul Jones, Head of Partnerships (minutes 1 - 4 only)
Tracy Scaife, Head of Governance

1. Welcome, introductions and apologies – the Chair welcomed everyone to the first meeting of the Audit committee of the merged college. Those in attendance introduced themselves to the meeting.

Apologies were received from Charlotte Mannion and Carole Kitching.

2. Disclosures of Interest – none received.

3. Audit Action Lists – received and noted.

The meeting noted that three audit action lists had been circulated – one for the former Swindon College and two for New College, one comprising actions from audits undertaken by Gateway Assure Ltd up to August 2019 and one from RSM from August 2019 onwards.

The Audit committee of the former Swindon College had considered the action list circulated at their last meeting on 13th July 2020 and noted that the majority of actions had either been completed or superseded by the merger. The actions relating to the safeguarding audit had not been considered as the report had not been finalised by the date of the meeting but will need to be actioned, as will those relating to the IT cyber security audit. Particular reference was made to the action point on KCSIE (Keeping Children Safe in Education) training for all staff which needs to be actioned as a matter of urgency.

The committee needs to be able to evidence those actions cleared from the lists and also those actions which have been superseded by new processes through the merger. The three separate lists need to be consolidated into one list as soon as possible. The committee asked for the consolidated list to detail the date that the item was originally placed on the list. All items on the list will be followed up by the internal auditors.

Actions for New College from RSM audits have not yet been considered by the committee. It is hoped that the majority of these have been completed or are nearing completion and will be removed at the next meeting.

ACTION: SH to present consolidated audit action list including dates action first appeared on list to Audit committee 23rd November 2020.

4. Annual sub-contractor review – report by Mazars received and noted.

The meeting was pleased to note that the recent annual sub-contractor review conducted by Mazars on provision at the Queens Drive campus for the 2019/20 academic year had returned a clean report with no recommendations. The Head of Partnerships advised the meeting that income from partnerships is a large part of the college's income and it is therefore important that a clean report is received. The comparable review for the former Swindon College was undertaken by TIAA.

The Chair, on behalf of the committee asked for their thanks to be passed on the Partnerships Team at Queens Drive.

ACTION: DA to forward TIAA review of provision at former Swindon College to committee.

5. Funding and risk management update – report by Deputy Principal Finance and Resources received and noted.

The material financial risks were noted. The reduction in 16-19 enrolments for the current academic year will show in the 2021/22 academic year as funding is based on a 'lagged' methodology. The committee asked for a report on possible reduced income to be presented to the next meeting of the committee. Concerns with regard to the two litigation matters carried forward from the former Swindon College were noted and discussed (confidential minutes refer).

The Deputy Principal Finance and Resources advised that a paper on savings and cost improvement is planned for the next meeting of the Resources, Integration and Change committee.

Going forward four risk registers will be produced, one each for the IoT, Covid-19 and the merger plus a generic risk register.

ACTION: SH to present four risk registers – IoT, Covid-19, merger and generic to next meeting of Audit committee 23rd November 2020; SH to present report on possible reduced income to next meeting of Audit committee 23rd November 2020.

6. Risk Appetite Statement – report by Deputy Principal Finance and Resources received and noted.

The Deputy Principal Finance and Resources advised that no changes to the statement are required for the 2020/21 academic year but the committee expressed a wish to evolve the statement for the following year.

It was noted that no impact to students is included and it was further noted that this is not a measure that is commonly used.

With regard to the classification of the 'red' category it was suggested that the wording 'should not be tolerated' should be simplified and made less aggressive i.e. replaced with 'should be mitigated where possible'.

RESOLUTION: that the Risk Appetite Statement, amended as suggested above, be presented to the Corporation for approval.

ACTION: SH to present amended Risk Appetite Statement to Corporation 20th October 2020.

7. Internal Audit Strategy and Audit Plan 2020/21 – report by RSM received and noted.

With regard to the audit plan it was noted that the Partnerships area includes more than sub-contracting and is therefore not a repeat of the annual review considered earlier in the meeting. It was suggested that health and safety was an area that needed to be looked at and a question was asked if the audit would cover statutory requirements. The audit partner for RSM advised that the audit will not look specifically at statutory requirements but will check processes and track deadlines and ensure that the area is up-to-date with legislation.

It was noted that no internal audits are planned for the IoT. The Head of Governance advised that the Resources, Integration and Change committee had appointed a sub-group to look at the IoT and will meet on a monthly basis.

RESOLUTION: that the Audit Plan for the 2020/21 academic year be agreed.

8. Draft Audit committee annual report – noted that two reports will be presented to the next meeting, one for the former Swindon College and one for the former New College.

ACTION: AS, DA, SH, TS to prepare draft reports for Audit committee 23rd November 2020.

9. Fraud, irregularity and whistle-blowing – no issues to report.

10. Cycle of business of committee 2020/21 – received and noted.

The meeting requested that the annual accounts for both the former Swindon College and New College be presented to the meeting on 23rd November 2020. The Risk Register will be added as a standing item for each meeting.

RESOLUTION: that the cycle of business for the 2020/21 academic year be approved subject to amendment as discussed.

ACTION: TS to amend cycle of business – add annual accounts to November meeting and risk register as a standing item for every meeting.

11. Terms of Reference of Audit committee – received and noted.

The committee noted that the words ‘and Vice-Chair’ need to be added to paragraph 9 under the first heading.

RESOLUTION: that the Terms of Reference of the Audit committee, as amended, be referred to the Corporation for approval.

ACTION: TS to present Terms of Reference to the Corporation 20th October 2020.

12. Any other business – none raised.

13. Date of next meeting – Monday 23rd November 2020 at 3.30pm