

Paper 1

Minutes of a Meeting of the Audit Committee held Wednesday 09 March 2022 via Zoom Conference Call

Present Mr J Bryant (Chair)
Mrs C Ajit Singh
Mr A Barke

Also present Mr M Cooper
Ms T Aust
Mr C Harris (MacIntyre Hudson)
Mr J Allen (Clerk)

The meeting commenced at 1800.

WELCOME, APOLOGIES, & DECLARATION OF INTERESTS

1. The Chair welcomed everyone to the meeting. There were no apologies. There were no declared interests against any of the agenda items. It was confirmed that the meeting was quorate.
2. Prior to starting the formal part of the meeting, the Chair asked for a minute of silence and reflection on the current crisis in Ukraine which all attendees observed.

MINUTES

3. The minutes of the meeting held 01 December 2021 were confirmed and approved as a correct record of the meeting. (Paper 1)

MATTERS ARISING

4. The Committee received a progress update on the only action point from the previous meeting that related to the tendering exercise for both internal and external audit services with the interviews to take place in May.
5. It was agreed to defer discussion on this until after the internal auditor has left the meeting following the conclusion of the agenda item on internal audit.
6. There were no matters arising from the minutes.

OUTSTANDING AUDIT RECOMMENDATIONS

7. The report on progress made in the implementation of outstanding internal audit recommendations was received (Paper 2). The five outstanding recommendations from the meeting last December are summarised in the report together with two recommendations arising from the internal audit report on ILR funding. The audit was undertaken by MacIntyre Hudson, and the report is included as Paper 3 for this committee meeting.
8. Of the seven recommendations, six were ranked 'Low' priority with the remaining recommendation being advisory. One recommendation has been completed with the remaining six being work in progress.

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9. Following review by the Committee there were no issues of concern on the implementation of outstanding audit recommendations. It was noted the majority are due for completion in this month and assurances were received that all are on track to be completed.

9. It was **RESOLVED** to note the report.

INTERNAL AUDIT REPORT

10. The audit report on the audit of the Individualised Learner Record (ILR) undertaken by MacIntyre Hudson was received (Paper 3). An audit of the ILR, student and funding data, was undertaken as part of the Internal Audit plan for 2021/22. The purpose of the audit was to provide the College with independent assurance over the controls in place for learner numbers, based upon a sample of learners tested.

11. The Committee noted and welcomed the following overall conclusion of the audit confirmed in the report:

*Overall, our review has concluded that the design and implementation of the internal controls relating to the College's ILR, in respect of the audit areas and sample sizes detailed above, were found to be operating effectively with no significant weaknesses in compliance identified as part of the review. As such the review has been awarded an overall rating of **Substantial Assurance** grading.*

12. The one 'Low' recommendation was for all ILR records to contain all the required evidence including signed learner agreements to ensure compliance with ESFA guidance. Management accepted the recommendation and confirmed this recommendation has already been fully implemented.

13. There was one 'Advisory' recommendation to further strengthen these controls by the inclusion of withdrawal dates and change request form dates to the ILR to ensure no significant discrepancies, and to include both the signed learning agreement date as per the ESFA guidance. The "advisory" was accepted by Management with a target completion date of 30 June 2022.

14. It was **RESOLVED** to note the report.

15. The Internal Auditor confirmed that the audits scheduled on curriculum quality assurance and staff recruitment have been completed and draft reports will soon be made available for the College to review. Finalised reports will be agenda items at the June meeting of the Audit Committee.

GLA FUNDING ASSURANCE REVIEW 2020/21

17. The audit report, commissioned by the Greater London Authority (GLA), issued by Mazars was received (Paper 4). The report detailed the findings and conclusions arising from the GLA AEB funding assurance review for the funding year 2020 to 2021.

18. In accordance with the GLA Procedures, Mazars reviewed the underlying data and evidence supporting the funding claimed by the College relating to the period from 01 August 2020 to 31 July 2021, using the Methodology to gain reasonable assurance that the College complied with the required funding rules.

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19. Mazars are required to give an audit opinion and the following opinion was noted and welcomed by the Committee:

As a result of our review of your adult education budget provision and in line with the procedures performed, we have concluded that you have substantially complied with the funding rules and returned materially (Materiality being based on a sample error rate of 5% as defined by the GLA) accurate data to the GLA. Our opinion is based solely on the procedures that we have performed as specified by the GLA.

20. Compliance with funding rules was noted and welcomed.

21. The auditors also looked at the College's subcontracting provision and there were no issues of any non-compliance by the subcontractors on observing and following funding rules.

22. There were some minor funding errors to the value of £3,328, compared against the budget of £3.1m. Recommendations to address the funding errors were outlined in the report and it was confirmed these have been acted on.

23. It was **RESOLVED** to note the report.

24. Concern was raised on the timeline taken from the start of the audit to its conclusion with receipt of the report from Mazars. On 5 March 2021, the College uploaded the required ILR return for Mazars to review and sample. The audit fieldwork commenced on 15 April 2021, but the final audit report was not received until 26 January 2022. The College was of the view that the audit should not have taken 10.5 months and the timeline taken for the audit was totally unacceptable. The College has written to the Senior Programme Manager at the GLA to give full details of the timeline and are awaiting a response. The Committee supported the stance taken by the College.

STRATEGIC RISK REGISTER

25. The '*Strategic Risk Register*' was received (Paper 5). It was confirmed the Risk Register has recently undergone thorough review with a number of risks that were previously identified separately now consolidated under one broader risk heading. Aside from this rationalisation, there have been no changes to risk scores since the last committee meeting. Considering this the full Risk Register was made available for the Committee to review.

26. Following review, the Committee welcomed the rationalisation of the Risk Register and **NOTED** the Risk Register.

27. The Internal Auditor offered to make available an analysis on the top key risks they are seeing in Risk Registers at other Colleges and on the overall number of risks being reported on in Risk Registers. This information could be a useful comparison for the College. This offer was welcomed by the Committee.

27. It was confirmed the Finance, Resources & Capital Projects Committee and the Curriculum, Quality & Standards Committee, at their respective meetings this term, conducted a review of the high risks that fall within their terms of reference. Both Committees were satisfied with the robustness of the proposed mitigation actions to reduce the risk and of the sources of 'independent assurances'.

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28. It was confirmed at the spring meeting of the Finance, Resources & Capital Projects Committee that a new risk on cyber security had been added to the Risk register – Risk 16. The Internal Auditor agreed that cyber security is a key risk for the education sector and offered to make available various reports and links to provide the College with more information on cyber security. The Principal advised the Committee that the College is also receiving advice and support on cyber security from JISC (a not-for-profit company that provides network and IT services and digital resources in support of higher education institutions).

29. The Curriculum, Quality & Standards Committee at its last meeting agreed for the following changes to be made to the Risk Register:

- To add a risk on Higher Education recruitment especially considering falling HE numbers over the last few years.
- To review further the suggested controls and mitigation for Risk 3 – Teaching, Learning & Assessment
- To consider if the gross score after mitigation for Risk 5 on ‘Achievement’ should be aligned with the gross score after mitigation for Risk 3 – ‘Teaching, Learning & Assessment’.

30. It was confirmed the Risk Register has yet to be updated to reflect the committee’s feedback.

31. The updates on risk assessments conducted by the committees were **NOTED**.

(The Internal Auditor left the meeting at this point).

TENDERING OF AUDIT SERVICES

32. It was confirmed the tendering process for the appointment of both external and internal auditors is being overseen by Tenet Education Services, part of the Crescent Purchasing Consortium who have produced an audit services framework agreement for use in the education sector. Tenet have a list of preferred suppliers for the provision of audit service. Each supplier had to go through a selection process before being given preferred supplier status. The tendering process commenced on 4 March with the uploading of the tender documents on Tenet’s Portal. The deadline date for receipt of tenders is 22 April.

33. Tenet will complete an analysis on received tenders and will make available recommendations for the College to consider. This analysis to be received by 6 May. As Tenet have already gone through a thorough selection process for preferred suppliers there will be no need to arrange for interviews. Instead, a meeting to be arranged involving the Executive Director Finance HR & Development, the Principal and Chair of Audit to consider and to make an appointment recommendation to put to the Audit Committee for approval (Committee approval to be done via email, as permitted by Standing Order 78, with the use of email approval to be recorded at the next meeting of the Audit Committee). The selected providers to be informed by 18 May, with formal contracts issued on 31 May with a start date of 1 August 2022.

34. It was confirmed the Corporation’s Scheme of Delegation, and the Post 16 Audit Code of Practice issued by the ESFA, delegate authority to the Audit Committee to make appointments.

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35. It was **RESOLVED** to note the update.

ANY OTHER BUSINESS

36. There was no other business.

DATE OF NEXT MEETING

37. Wednesday 29 June 2022 @ 18.00

The meeting closed at 19.00

Signed: _____ Date: _____

(Chair)

SUMMARY ACTION LIST

| Min | Action Point | Review Date |
|------------|---|--------------------|
| 27 | The Internal Auditor offered to make available an analysis on the top key risks they are seeing in Risk Registers at other Colleges and on the overall number of risks being reported on in Risk Registers. This information could be a useful comparison for the College. This offer was welcomed by the Committee. | 29/6/22 |
| 33 | Appointment of Auditors: A meeting to be arranged involving the Executive Director Finance HR & Development, the Principal and Chair of Audit to consider and to make an appointment recommendation to put to the Audit Committee for approval (Committee approval to be done via email, as permitted by Standing Order 78, with the use of email approval to be recorded at the next meeting of the Audit Committee). | 29/6/22 |