

**AUDIT COMMITTEE MEETING**  
**Wednesday 25 November 2020 at 5.00pm**  
**MINUTES**

Present: Chairman: Andrew Gregory

Members: Gareth Bullen      Shaun Tymon      Jason Saunby

Also present: Phil Rumsey – Principal by invitation

Lesley Clemmet – Director of Finance & Resources by invitation

Present via Zoon Rosalind Armstrong – Principal Auditor, AuditOne

Heather Campbell – Clerk to the Corporation

The Chair welcomed Rosalind to the meeting via Zoom.

1 **Apologies for absence**

Apologies received from Michael McCluskie.

The meeting was quorate with 4 members present.

2 **Declaration of any personal conflicts of interest**

None.

3 **Minutes of the previous meeting**

a **Agree minutes.**

The Minutes of the meeting held on 26 November 2019 were approved at the 10 December 2019 Corporation meeting and signed by the Chair.

Extended discussion from the previous minutes classified as confidential.

b **Updates from Clerk or College Management**

None raised.

c **Action previously agreed.**

The Schedule was reviewed and the Chair noted that there was one action which had been completed.

d **Matters arising not covered in agenda below**

None raised.

4 **Risk Management and Business Assurance Update**

a) Risk Management Policy Statement

Members had received the policy statement prior to the meeting and noted that there have been no amendments made to the document. There were no matters raised and members agreed the policy statement was fit for purpose and to recommend it to the Corporation for approval.

**RECOMMENDATION**

That the Corporation approve the Risk Management Policy Statement.

b) Annual Risk Management and Business Assurance Report

Members had received the report prior to the meeting which included the Individual Risk Management Records for SSR4, SSR5, SSR6 and SSR7.

PMR advised that in discussions with the Auditor he is planning to review the structure of the Individual Risks Management Records to include the relevant senior manager responsible for actions to be taken and include date for completion or review.

No matters were raised and members approved the Annual Risk Management and Business Assurance Report and that it be included in the Audit Committee's Annual Report 2019-20 for approval by the Corporation.

5 **Meet with Internal Auditors**

(a) Internal Audit Annual Summary Report 2019-20

The Chair invited Rosalind to take the committee through the Internal Audit Annual Summary Report 2019-20.

Rosalind reported the following:

- Summary of 2019/2020 Internal Audit Reports
- The Audit Committee and Corporation approved an internal audit plan of 18 days for 2019/2020
- Recommendations made 19 in total
- Follow Up of Previous Recommendations total of 24
- Quality & Performance Assurance – good across all reports

The Chair asked if there were any questions and members concurred they were happy with the report.

(b) Strategic and Annual Internal Audit Plan 2020-24 (Draft)

The Chair invited Rosalind to take members through the Draft Plan for 2020-24.

Rosalind highlighted the following

- Layout of the plan has been changed so it is a forward facing 3 year plan although it is not set in stone
- Gives the committee and management direction of Internal Audits
- Discussions held with Lesley as to where the College management would like assurance
- Relevance of areas auditors will be looking at
- Previous coverage
- Assignment Reports
- Progress Reports
- Annual Report

Appendix B:

- Discussions with management
- Good Annual Internal Audit Plan
- Business Continuity throughout Covid – review the Business Continuity Plan and include lessons learnt and same principles put in place for the pandemic

The Chair raised under Appendix A does Rosalind feel more days should be given to Risk Management.

Rosalind highlighted that as this is not a large college then the risks are reduced so does not feel the need for more days to be allocated.

Lesley noted under Appendix B – Site Security – she is hoping to put in an application for College Improvement Fund bid to help fund upgrade of the site security.

Members approved the Internal Audit Plan for 2020-24.

c) Internal Audit Report Follow-up of Previous Recommendations

The Chair asked Rosalind to take members through the Follow-up report.

Rosalind referred to the report and briefly covered the following:

Scope of the Audit covered

- 2017//18  
Malton Academy Subcontract  
Trips and Work Experience
- 2018/19  
Corporate Governance
- 20219/20  
Learner Support / Bursaries

She advised that the conclusion was that there was a good level of assurance with 72% of the recommendations examined fully implemented, 9% were not and new dates set and 18% were no longer applicable which is an improvement on last year.

Rosalind asked if members had any questions on the reports.

The Chair raised that previously there was an outstanding recommendation regarding Procurement and asked if Rosalind was aware if this had been completed.

Rosalind advised she wasn't aware of a Procurement recommendation still outstanding but would check.

The Chair referred to Schedule of Audit Recommendations Working Progress document that the committee received in 2017 and 2018. This was a record of outstanding actions which had not to his knowledge been completed. He advised he would email a copy of the document to the Clerk to pass on to Rosalind. He asked Rosalind if the management reports from the Internal Auditors could cover the same information that is in the Work in Progress documents so that it is clear that an action has been completed.

### **ACTION AGREED**

Chair to email the Schedule of Audit Recommendations Work in Progress to the Clerk to forward to Rosalind.

#### d) Finalised Reports since the last Audit meeting

##### i. Learner Support / Bursaries

Rosalind referred to the report and briefly covered the following:

- Concluded a good level of assurance
- Scope of the audit risk coverage
- Key findings
- Good Practice identified
- Priority Recommendations – 2 Medium and 2 Low

Members noted the report with no matters raised.

##### ii. Risk Based Audit of Income Arrangements

Rosalind referred to the report and advised the following:

- Conclusion of the report is that there is a good level of assurance
- Scope of the audit risk coverage
- Key findings
- Priority Recommendations – 1 Medium and 2 Low
- Lesley to review the Medium priority of timely Bank reconciliations

Members noted the report and no questions were raised.

##### iii. Risk Management

Rosalind briefly took members through the report covering:

- Conclusion is that there is a good level of assurance
- Scope of the audit
- Key findings
- Have recommended a Risk Scoring Matrix be implemented
- Periodic benchmarking with other colleges

- Actions should have a named member of staff that is responsible for implementing the action
- Priority Recommendations – 3 Medium and 2 Low Priorities

Members noted the report and no matters were raised.

iv. **GDPR Follow Up**

Rosalind referred to the report and advised the following:

- Good level of assurance on GDPR
- Scope of the Audit to follow up implementation of recommendations
- Key findings: out of 18 recommendations – 10 fully implemented, 6 not yet implemented but have revised dates and 2 partially implemented with alternative recommendations in this report
- Priority Recommendations – 2 Low

Shaun observed that it is good to hear that the College is on top of GDPR.

Members noted the report and no further matters were raised.

v. **Previous IT Audit Recommendations Follow Up Audit**

Rosalind referred to the report and advised the following:

- Concluded a good level of assurance
- Scope of the Audit to follow-up IT Audit reports:
  - 2016/17 - IT Operational Management
  - 2017/18 - IT Disaster Recovery Controls
  - 2018/19 - Cyber Resilience: Server Operational Management
- Key findings – out of 25 recommendations – 16 fully implemented, 4 not yet implemented but have revised dates previously agreed, 4 partially recommended and 1 no longer applicable
- Priority Recommendations – 4 Low

The Chair observed that he feels that we are now making progress with audit reports and recommendations compared to where we were last year. The Chair also raised the use of the Audit software discussed at previous meetings and questioned when this would be used. Rosalind stated that that this was being used by CMT and enabled them to keep track of outstanding recommendations with the person who was responsible for undertaking the task.

There being no further matters raised the Chair thanked Rosalind for her input to the meeting and Rosalind left the meeting at this point.

### **ACTIONS AGREED**

- a) Rosalind to check the Schedule of Audit Recommendations Work in Progress documents provided by the Chair to cross check if all items in these documents have been covered by the follow up reviews and report back to the committee.
- b) Rosalind will look at the audit software and use it to provide reports at every audit committee meeting. The minimum information required will be as detailed in the Schedule of Audit Recommendations Work in Progress documents provide by the Chair.

6 **Receive External Auditors Audit Planning Summary 2020**

The Chair noted that the External Auditors were not in attendance at this meeting but will attend the Extra Audit committee meeting on 13 January 2021. He referred members to the Plan.

Lesley observed that the External Auditors are in this week and working through the plan with her.

Members noted the plan and there were no matters raised.

7 **ESFA Post-16 Audit Code of Practice 2019-20 – July 2020**

Members had received the ESFA Post-16 Audit Code of Practice updated in July 2020 prior to the meeting and Phil advised that there were no matters in the document to raise with the committee other than he and management will be looking at tightening up on contract work with other providers.

8 **Any discussion item(s) to be classified as “Confidential / Restricted”**

The Chair referred to the guidance paper that the Vice Chair had drawn up for committees to use when considering the definition of their discussions and how they are classified.

Jason raised that he was still not sure why staff governors are asked to leave a meeting when confidential discussions take place and when he brought this up previously it was said that it would be the Chairman’s decision and put to a vote but this did not happen. So by being asked to leave he feels he cannot be trusted.

The Chair advised that his understanding is where an individual member of staff or senior post holder is to be discussed i.e. pay, disciplinary that is when the Staff Governor would be asked to leave so as not to compromise them or the member of staff being discussed under a confidential item. He suggested to Jason at the next Corporation if he is asked to leave then he ask why.

Phil observed that he feels there should be transparency when discussing senior post holders and teachers pay awards as he would not expect senior post holders to receive a higher pay award than the teachers.

Members considered the guidance in line with their discussions and agreed item 3 a and 9 be classified as confidential and it was proposed that item 12 below be re-classified as confidential and restricted.

The Chair asked the Clerk to email him a word version of the Guidance

**ACTION AGREED**

Clerk to email Guidance word document to the Chair.

9 **Any Other Business**

See confidential minutes.

10 **Agenda Items for next meeting**

- 1) Meet with External Auditors
  - a) Draft Report and financial Statements Y/E 31/01/2021
  - b) Final Audit Findings
  
- 2) Discuss Audit Committee's Annual Report and recommend to Corporation

11 **Date of Next Meeting:     **Wednesday 13 January 2021****

12 **Confidential / Restricted Items** – See Separate Minutes

*There being no further business to discuss the meeting closed at 6.45pm.*