

**Minutes of the Audit Committee video-conference AC20.1 held on Wednesday 11 November 2020  
Long Road Sixth Form College, Cambridge**

Present: Maria Ferguson (Chair), Tony Humphrey, Rikki Morgan-Tamosunas, and Alison Miles

In attendance: Yolanda Botham (Principal), Charlotte Hemmins (Finance Director), Tinashe Chitakasha (Governance Assistant), David Hoose (Mazars) – part meeting

Clerk: Anne-Marie Diaper

<b>Ref</b>		<b>Actions:</b>
<b>AC20.1.1</b>	<b>Apologies for absence</b> Apologies were subsequently received from the Parent Governor, Ciara Moore.	
<b>AC20.1.2</b>	<b>Declarations of Interest</b> None	
<b>AC20.1.3</b>	<b>Request for any other business</b> None	
<b>AC20.1.4</b>	<b>Minutes of AC19.3 Wednesday 10 June 2020</b> With no amendments, the minutes of the meeting held on Wednesday 10 June 2020 were agreed as a true and accurate record of the meeting.	
<b>AC20.1.5</b>	<b>Matters arising from the minutes not covered elsewhere on the agenda</b> None	
<b>AC20.1.6</b>	<b>Annual Report from Audit Committee 2019/20</b> The committee considered the draft annual report. Members agreed that the report was sufficiently detailed, with no ambiguity, and agreed to recommend it (with one small amendment on page 2) for Board approval.	<b>Board</b>
<b>AC20.1.7</b>	<b>Recent codes, reports and guidance</b> The following reports had been made available to the committee: The Post-16 Audit Code of Practice 2019-20 (P16ACOP) published in July 2020. New ESFA guidance, published in September 2020, on the 'scope of work of Audit committees and internal audit in Colleges'. A DfE publication 'Independent review of College financial oversight' (Ney report) September 2020, and the NAO's report on the 'Financial sustainability on Colleges in England', also September 2020. It was incumbent upon Colleges to be aware of the P16ACOP and Governors agreed it was reassuring that College was already aligned to the code. New guidance would be taken into consideration throughout the year in forward planning, and in Governor training, to support strategically developing the College and to understand pressures and relevant issues and to mitigate risk through good governance.  The meeting discussed a range of relevant strategic matters affecting FE Colleges. The Principal reminded the committee of the consultation	

**Ref**

**Actions:**

currently ongoing on streamlining qualifications. The committee finished this item by adding that it would be good to return to relevant issues such as these at the forthcoming Governors' training/strategy day.

**AC20.1.8 Audit assurance/mapping**

The Finance Director (FD) presented the assurance map showing updated sections highlighted in red.

Governors noted the difference shown in the level of detail in mitigating factors between the assurance map and the College risk register, and the FD reminded the committee of its purpose, to provide assurances where external actions are in place. The immediacy of the Covid-19 outbreak had necessitated a closer focus on the risk register during the summer.

The meeting discussed the student journey, peer review of quality of teaching and learning and blended learning, BTECs, racial equality training materials, Governor visits, staff training etc. The map contained updates on these matters and some external assurances.

Governors reflected on current concerns and highlighted cyber-attacks for external assurance. IT cyber essentials was a requirement of the College's funding contract. Reviews/updates of the College 'acceptable use of IT' policies and student contract/code of conduct/use of mobile phones/others were imminent.

*David Hoose joined the meeting at 5.14pm*

A Governor prompted a discussion on the financial status of the College, rated outstanding since 2018-19, and then referred to the site master plan, part of the property strategy to be discussed shortly at the Finance & Resources committee.

**AC20.1.9 Risk Management**

The College Risk Management annual report 2019-20 and the updated 2020/21 Risk Register and termly update were provided to the committee. The FD reminded the committee about the risks identified, arrangements in place during lockdown, including re-opening risk assessments, budgeting process/additional resources, and other activities in the background related to risk.

A Governor asked about the College re-opening risk register and the Principal advised that some risks had been merged into the College risk register. The Governor commented that it would be useful to see a detailed paper on this for the next meeting.

**Finance  
Director**

The committee discussed in some detail the Equality & Diversity data provided to committees in particular across the Corporation. The Clerk and managers advised that much time had been spent on this at the recent meeting of the Governance & Search committee, all protected characteristics were at the heart of approaches to prospective Governor recruitment and all agreed it was challenging to attract members evenly across the whole range of represented groups.

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Actions:

The committee thanked the FD for the reports.

**AC20.1.10 Report of incidents during 2019/20 and Business Continuity Plan**

The FD presented a brief report of incidents during the year reminding the committee that the College had produced an updated Business Continuity Plan (BCP) early last year before the plan was tested by the lockdown that occurred. Remote working/learning was useful to evidence how the BCP had been put into effect to allow the College to respond to and continue to operate effectively during lockdown, and Governors agreed that effective team working had supported this.

The BCP would come back to the committee for consideration updated with lessons learned from the Covid-19 pandemic/lockdown.

Agenda

**AC20.1.11 Draft financial statements for year ending 2019/20**

The College's external auditor reported on this item. The committee had received a copy of the draft financial statements and the auditor's completion report. He reported another clean audit for the year 2019-20 with no findings on any significant risk, and very little to bring to the Corporation's attention. Sector auditors had expected to find some Colleges struggling with regularity challenges this year, but only one low level matter of internal control on the fixed asset register applied to LRSFC, and this was of no impact on the balance sheet, and therefore he was not suggesting any changes needed to be made.

The committee discussed one recurring matter, the valuation of the LGPS, the discount rate used, and the volatility of the stock markets leading to a higher rate of liability. The auditor pointed out in terms of disclosure that there was a sensitivity analysis shown in the back of the completion report.

In the section on 'going concern' the first sentence needed rewording. The committee noted that despite Covid-19 and the additional expenditure and no additional funding the College had delivered a financial surplus. Centre assessed grades (CAGs), and a reduced number of apprenticeships available had led to an increase in sixth form student numbers and due to lagged funding there was an estimated 20,000 unfunded 16-18 learners nationally at the present time. The committee pondered 2021 summer exams, and the Principal advised that students were being expected to work hard on key assessments and were taking mock exams seriously.

Finance  
Director

The committee Chair commented that the committee felt that the reports gave sufficient assurance.

**The Audit committee agreed to recommend the written content in the financial statements for the year ended July 2020 including the accounting policies and FRS102 disclosures, including the governance statement, for Board approval.**

Ref

Actions:

**The Audit committee was content with the Auditors completion report and would recommend Board approval of the draft letter of representation.**

**AC20.1.12 Process/timing of appointing auditors in 2020/21**

The FD reminded the committee that the financial statements auditors (Mazars) had reached the end of their current five year contract. The College would be retendering for this service using the Crescent Purchasing Consortium Framework to ensure OJEU compliance (in which all tenders from the public sector which are valued above a certain financial threshold according to EU legislation, must be published). She advised that the intention would be to issue the tender in 2021 after the new framework had been issued. The paper set out the steps for the process of appointing the auditors, the timeline for which would be set once the framework was available.

*The Auditor thanked the committee, and vice versa, for an effective partnership, and he left the meeting at 6.08pm.*

The FD pointed out that the possibility of price volatility of audit services would be picked up in financial planning. The timeline would be likely to be between March and June and the appointment process may be able to occur back-to-back with an Audit committee meeting. If not, an additional single item meeting may need to be scheduled.

**AC20.1.13 Any other business**

None

**AC20.1.14 Date of next meeting (2020/21)**

*AC20.2 Wednesday 24 March 2021*