

**Minutes of the Audit Committee (AC) video-conference AC20.3 held on Wednesday 16 June 2021
Long Road Sixth Form College, Cambridge**

Present: Tony Humphrey (Chair), Steve Fosher, Rikki Morgan-Tamosunas, Hugo Macey, Alison Miles, and Sebastian Rasinger

In attendance: Yolanda Botham (Principal), Charlotte Hemmins (Finance Director), Jason Dear (DPO for agenda item 5, and ITS Manager: item 6), and Hugh Swainson from Buzzacott (up to end of item 9)

Clerk: Anne-Marie Diaper

Ref

AC20.3.1 Apologies for absence

None. The AC Chair extended a warm welcome to newly appointed Independent Governor, Hugo Macey. The Chair also welcomed the newly appointed Financial Statements Auditor (FSA), Hugh Swainson from Buzzacott. The committee members and senior management introduced themselves.

The AC Chair reminded committee members that this would be his last meeting as committee Chair, due to his appointment as Corporation Chair which would take effect from 8 July 2021. He prompted Independent Governors to consider putting themselves forward to take over as committee Chair by contacting the Clerk.

Actions:

**Independent
Governors**

AC20.3.2 Declarations of Interest

Rikki Morgan-Tamosunas declared an interest in agenda item 6.

AC20.3.3 Minutes of AC20.2 Wednesday 24 March 2021

With no amendments, the minutes of the meeting held on 24 March 2021 were agreed as a true and accurate record of the meeting.

The Chair reminded the committee that since the last meeting (AC20.2) the committee had passed a written resolution to make a recommendation to Board for the appointment of the FSA. This was dealt with at the May Board meeting, with the approval of Buzzacott as FSA for a period of 5 years ie. to May 2026.

AC20.3.4 Matters arising from the minutes not covered elsewhere on the agenda

20.2.4. The AC Chair noted a reference in the minutes to the Business Continuity Plan (BCP) to come back for committee consideration. The BCP had been thoroughly tested at College throughout the last 18 months of the coronavirus pandemic. The committee agreed it was sensible for the new Estates Manager to lead on this bringing it for AC consideration in the 2021-22 spring meeting.

Clerk

20.2.7. The AC Chair reported that the Counter Fraud Strategy would come back to the 2021-22 autumn term meeting for committee consideration.

Agenda

Ref

Actions:

AC20.3.5 Committee review of key policies

Data Protection policy/procedure. The Data Protection Officer (DPO) presented the Data Protection policy for committee consideration.

He reported that the amendments to the policy stemmed mainly from proposed changes from GDPR to UKGDPR, with more expected to come into force in post-Brexit Britain within the next 6 months. The AC Chair commented that the committee recognised the style and content, but the changes to the policy were not made by track changes and therefore not explicit to the committee from the last iteration. Unless the committee was being asked to review a newly written policy, he asked the managers to provide a commentary and narrative on proposed changes, and the reason for them, when presenting updates to the AC.

It was noted that the policy may have to come back to the committee for review sooner than 12 months.

The committee was content to recommend the updated Data Protection policy/procedure to the Board for approval

Board

Freedom of Information policy and publication scheme. The DPO/IT Services Manager presented the updated Freedom of Information policy and combined publication scheme commenting that the main changes were around names of groups within College, and responsible officer. A Governor asked for clarification on paragraph 3 and on which recommended scheme the section was based. It was agreed to make an amendment to update that section.

Subject to that one amendment, the committee agreed to recommend Board approval of the combined Freedom of Information policy and publication scheme

Board

The DPO/IT Manager left the meeting at 4.55pm

AC20.3.6 Audit assurance mapping, including specialist (internal) audit plan for 2021/22

The Finance Director (FD) had provided an updated assurance map including the resulting (specialist) internal audit plan for 2021-22, for information.

As the committee included new members, she explained the purpose of the assurance map split by College strategic priority. All but section SP2 had revisions shown in red typeface. She touched on the updates throughout and then paused to allow the committee time to discuss anything relevant. A new Governor said from his perspective that the assurance map seemed a powerful tool.

Governors raised a few points on matters such as financial management (outstanding), capital bid deadline (changed from 14 June to 21 June), and Cyber Security training, with differing opinions as to whether training was best delivered onsite, or online, for Corporation members. Though it was the role of GSC to determine how best training to Corporation

Ref

Actions:

members might be delivered, the AC was keen to review the effectiveness of training related to key risks to the organisation. Specifications and other documents from JISC, who lead on cyber security on behalf of the sector, had been made available to the AC. The FD explained that a big review would be carried out, ensuring that College was actively responding to risk.

The meeting touched on the specialist (Internal) plan. Risk oversight at Governor level and to the extent to which risks are shared with committees was something that would need to be carried over to the new academic year. A common process was favoured, embedding risk oversight into agenda planning, explicit in cover papers, to be carried out at committee level, and the meeting pondered which external organisations might be commissioned to provide scrutiny and advice.

The key financial controls audit, process and timing, remained on the workplan for the FD.

Finance
Director

AC20.3.7 Risk management termly update and action plan 2020-21

The FD explained that some changes to the risk register had informed the development of the internal audit plan. She explained that no new risks had been identified since the AC last met, but the register had been clearly marked where changes in risk scoring had occurred. The AC asked if changes could in future be tracked and made explicit on the documents.

The meeting touched on rooming changes resulting from students changing courses next term. The meeting referred to the capital project bid. The FD and Principal talked about the risks relating to HR matters in sections 3.1 and 3.3, including the effect of the Cambridge South Station development planned for 2025. Salaries for teachers was a national structural issue being handled by the SFCA.

The AC noted that the Data Protection Governor had left the Corporation in March. The Clerk reminded the AC that there was no statutory requirement to have a Governor with a responsibility for DP at Board level, but the opportunity would still be advertised to members.

AC20.3.8 Annual review of risk management including risk management policy (RMG ToR) leading to risk action plan for 2021-22

The FD advised the meeting that there were no significant changes to the RMG ToR and RM policy but these were for information only; she gave a brief overview. The meeting noted that the Covid risk register remained a live document. The AC members did not have any further questions on this item.

AC20.3.9 External Audit Plan 2021-22

Hugh Swainson from Buzzacott shared his screen and presented the external audit plan for 2021-22. He explained that FSA would be forming an audit opinion, carrying out a regularity audit, and a special audit on teachers' pensions payments. The report established a timetable which

Ref

Actions:

took the College through to submission of the 2020-21 financial statements to ESFA by the end of the academic year.

The FSA would follow the Colleges Accounts Direction changes detailed on one page. He specified that P16ACOP changes required the Board to receive the external audit findings.

He explained that a new auditing standard on going concern would provide for a higher level of assurance on financial liability. Documenting thinking behind forecasts will be important, to collect evidence that assumptions have been challenged. Depreciation and LGPS accuracies would be included. Page 8 onwards outlined the big issues for audit this year. On capital projects, the main consideration this year was likely to be whether entries were properly capitalised or expensed, and checks would be carried out on management override controls, and journal entries, and any undisclosed entries on the financial statements.

The AC asked if the FD was comfortable with the timetable presented by the FSA for the annual audit, which she confirmed she was. Governors commented that they were comfortable with the professional approach to date, and a clear and easy to understand process. The AC Chair had scrutinised the letter of engagement and he had written to the FD to confirm that he was content.

The AC Chair asked about levels of liability from the audit, and the auditor advised that it was not possible to limit liability on statutory audits.

The AC thanked the FSA and he left the meeting at 6.05pm.

AC20.3.10 Financial regulations, procedures and appendices

The AC had reviewed the minimal changes included in the latest iteration of the financial regulations, procedures and appendices.

The committee noted that the counter fraud strategy, when approved by the committee, would need to be included as part of the College financial regulations. The counter fraud strategy was to be presented to the AC in the autumn term 2021-22.

**Finance
Director**

The committee discussed clause 8.1.2, and asked if clauses 9.3.2 and other references to EU rules throughout remained appropriate. Whilst the FD would check those sections, she reported that the OJEU was still in place for capital projects.

**Finance
Director**

The AC Chair commented that the regulations were clearly in need of some editing, and layout and formatting changes could improve the document for College use. The FD agreed to make arrangements to have the regulations tidied up.

The AC confirmed its approval of the financial regulations, procedures and appendices.

Ref

Actions:

AC20.3.11 Review committee Terms of Reference, meeting dates and business plan for 2021-22

The Clerk advised that one 2021-22 meeting date had been changed since the last meeting, this was highlighted.

The committee reviewed its ToR which the Clerk explained reflected changes in the P16ACOP. There was a brief discussion about no surprises on fraud, and a duty on managers to keep the Board and the AC briefed on such matters, which it was noted that that would be picked up in the Counter Fraud Strategy. A Governor commented that there was overlap on the ToR between sections 3.12 and 4.3, which the Clerk agreed to look at again.

Clerk

AC20.3.12 Governance improvement plan, annual report and self-assessment of effectiveness for 2021-22

The GIP was presented for committee consideration. With no discussion the AC confirmed it was happy with the GIP as presented. It was noted that the combined annual report and governance SAR should reduce duplication. The committee's annual report would be drafted by the Clerk and AC Chair and presented to the committee for approval during the summer.

Clerk

AC20.3.13 Any other business

One newly appointed Governor had been impressed with the assurance and risk tools presented to the committee. He felt the process comprehensive and illustrated a professional approach.

AC20.3.14 Date of next meeting (2021/22)

AC21.1 Wednesday 10 November 2021. Meeting ended at 6.26pm.