

MINUTES OF THE AUDIT COMMITTEE
HELD ON TUESDAY 4 JUNE 2024
AT 5pm IN THE EXCHANGE BOARD ROOM AND VIA MICROSOFT TEAMS

PRESENT:

Chris Johnson	Member (Chair)
Dr Fazal Dad	Principal and Chief Executive
Taiyab Sufi *	Member
Sharjeel Salahuddin*	Co-opted Member
David Swift	Co-opted Member

IN ATTENDANCE:

Jennifer Eastham	Vice-Principal: Finance and Corporate Services
Kashif Azeem*	RSM - Internal Audit
Annalee Hurley	Beever & Struthers – External Audit
Suzanne Lomax	Beever & Struthers – External Audit
Sarah Horeesorun	Director of Governance

* indicates participating via Microsoft Teams

The meeting commenced at 5pm.

The Chair welcomed everyone, extending a special welcome to guests from Beever and Struthers and those members joining online.

1. PRESENTATION: INTERNAL AUDIT NEEDS ASSESSMENT AND PLAN FOR 2024/25

Kashif Azeem talked the Audit Committee through the Internal Audit Plan 2024/25 explaining that this had been developed in consultation with the College and a shortlist of potential areas for inclusion in the Internal Audit Plan 2024/25 was included at Annex A of the Report. The Committee were asked to consider which five audits (plus follow-up) should be delivered in 2024/25, and to help inform their thinking the Internal Audit Strategy 2018/19-2026/27 was included at Annex B.

The Committee thanked Kashif Azeem for the presentation.

2. APOLOGIES FOR ABSENCE

Apologies were received in advance from Governor, Nadia Begum, and Associate member, Dr Zubair Iqbal. Jason Burgess and Mark Bradley (Beever and Struthers), and Lisa Randall and Max Hutchinson (RSM) also sent apologies.

3. DECLARATION OF CONFLICTS OF INTEREST

The Chair advised those in attendance that should members of the Audit Committee become aware of any potential conflicts of interest, they should be disclosed at the earliest opportunity during the meeting.

4. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON TUESDAY 20 FEBRUARY 2024

Having canvassed the Committee, and in the absence of any comment, the Minutes of the Audit Committee held on Tuesday 20 February 2024 were **AGREED** as a true and accurate record and were signed by the Chair.

5. MATTERS ARISING

There were no Matters Arising.

6. PRESENTATION RECEIVED AS ITEM 1.

7. AUDIT COMMITTEE – MEETING DATES, CALENDAR OF BUSINESS AND TERMS OF REFERENCE

The Director of Governance explained that all Committees review their relevant Terms of Reference annually and that an exercise had been completed to create a forward look of likely agenda items (calendar of business) and to identify dates for meetings in 2024/25 and 2025/26.

A proposed change to the November meeting of the Audit Committee was proposed to allow more time for the External Audit production of the Financial Statements 2023/24.

Following discussion, the suggested changes highlighted in red on the documents were accepted, including mention in the Terms of Reference of the Audit Code of Practice 2023-24 and the new Financial Handbook for Colleges.

It was **AGREED** that the Terms of Reference be updated and, pending these changes, the Audit Committee were content for the following to be **RECOMMENDED** to the Board for approval:

-Meeting dates 2024/25 and 2025/26

-Calendar of Business 2024/25

-Terms of Reference

8. INTERNAL AUDIT REPORTS – OUTCOMES, PROGRESS AND FOLLOW-UP

Kashif Azeem, RSM, talked the Committee through the key points of the following Internal Audits, referring members to the full Reports in their meeting papers.

The Chair thanked Kashif Azeem for the Reports.

9. INTERNAL AUDIT – ACTION POINT STATUS

The Vice-Principal: Finance and Corporate Services repeated that there was one outstanding recommendation in relation to the installation of MDM and that this was being installed shortly.

The Committee noted the update on the content of the Report.

10. AUDIT PERFORMANCE INDICATORS 2023/24 UPDATE

Members were reminded that at their meeting on 19 September 2023, the Committee approved the performance indicators for monitoring in 2023/24 – these were listed in Appendix 1 to the Report along with supporting notes to help the Committee is assessing risk. This was the third Report for 2023/24.

The Audit Committee noted the performance against the approved performance indicators for 2023/24.

11. RISK MANAGEMENT - RISK REGISTER 2023/24 - UPDATE

The risk rating for each risk listed on Appendix One to the Report was determined using the Board approved Risk Management Policy. Using the RAG rating, the Committee noted that three risks were currently rated as red and were satisfied with the mitigating actions and controls in place to effectively manage these. No new risks had been identified.

The Committee **AGREED** that the Governance related risk at G1 be removed from the Risk Register as the External Governance Review had been completed and recognised that Governance was strong, plus two internal Audits completed had provided substantial audit opinion and assurance.

The Audit Committee **AGREED** the Risk Register.

12. EXTERNAL AUIT PLAN 2023/24

Suzanne Lomax and Annalee Hurley, Beever and Struthers, introduced themselves formally to all present and explained that they would working with the College, alongside Mark Bradley, to support the production of the Financial Statements this year.

The Committee **ACCEPTED** the Report.

13. POST-16 AUDIT CODE OF PRACTICE (ACoP) 2023/24 - UPDATE

The Vice-Principal: Finance and Corporate Services explained that the Post-16 ACoP was refreshed annually and referred to Annex One of the Report where the six changes for 2023/24 were listed alongside the Colleges Management response.

The Committee noted the changes and that they had either been noted or were not applicable.

14. COMPLIANCE: AoC CODE OF GOOD GOVERNANCE FOR ENGLISH COLLEGES AND RSM – A BEST PRACTICE GUIDE FOR AUDIT COMMITTEE

The Director of Governance presented this Report and talked the Committee through the progress and compliance with the current version of the AoC Code of Good Governance for English Colleges and the RSM Best Practice Guide for Audit Committees, 'Turning Lights Green'.

The Committee noted the progress made against the AoC Code of Good Governance for English Colleges, recognising that all actions were complete and the positive outcome of the External Governance Review. The Director explained that the Code had been revised and, on recommendation of the Governance Panel, the revised Further Education Code of Good Governance, would be considered by the Corporation Board to adopt at its July meeting.

Progress on the RSM Best Practice Guide for Audit Committees, 'Turning Light's Green' was noted, and the Committee discussed whether this additional assurance was still required and added value given that compliance with the Code, Terms of Reference, and annual reporting activities were completed. The Guide was last updated in 2021, and there were no plans, at that time, for this to be reviewed. Completion of this activity was voluntary and not a requirement. The Audit Committee **AGREED** that this assurance activity would not be required in the future and could be removed from the Calendar of Business.

The Audit Committee thanked the Director of Governance for the comprehensive Report and **AGREED** to recommend this Report to the Board for approval.

15. NEW FINANCIAL HANDBOOK FOR COLLEGES

This Report and the new Financial Handbook for Colleges, published by the ESFA, was included for information.

16. AUDIT SCHEDULE 2024/25

This Report was provided to the Audit Committee for information and contained the dates and details of both the Internal and External Audit schedules for 2023/24.

The Committee noted the schedule of audits in the Report.

17. DATA RETURNS MONITORING REPORT 2023/24

This Report was provided for information and confirmed that funding and data returns had all been submitted on time for 2023/24.

Members noted the content of this Report.

18. OFFICE FOR STUDENTS (OfS) DATA AUDIT

This Report and attached letter were provided for information and had been covered in an earlier Agenda Item at Item 11.

19. SUBCONTRACTING AUDIT OUTCOME LETTER

This Report provided an update on Subcontracting activities and assurance that the subcontracting arrangements were meeting the ESFA Subcontracting rules and standard.

20. ANY OTHER BUSINESS

There were no items discussed under Any Other Business.

21. REVIEW OF MEETING

The Chair thanked everyone for their contributions to the Committee discussions.

DATE AND TIME OF NEXT AUDIT COMMITTEE MEETING

Tuesday 17 September June 2024 at 5.00pm.

Signed:

Date: