



Minutes of Audit Committee Meeting

Tuesday 7 March 2023 at 17:30
Via Microsoft Teams

Present:

Stephanie Simcox (SS) (Chair)
Tony King (TK)
Andrew D'Arcy (AD)
Chris Hallam (CH)
Denis Miles (DM)

In Attendance:

Stuart Laverick (SL) (Principal)
Cherie Clements (CC) (Vice Principal Finance & Corporate)
Nicki Williams (NW) (Vice Principal Corporate & Resources)
Tony Green (TG) (Assistant Principal, Funding, Data & External Contracts)
Kay Kavanagh (Clerk to the Corporation)
Asam Hussain (AH) (RSM)
Ron Hill (RH) (Stone King)
Rachel Robson (RR) (Stone King)

Item:

Action

28.1 Apologies

Apologies were received from Nathan Coughlin (Bishop Fleming) and Louise Tweedie (RSM).

28.2 Declarations of Interest

Members were asked to declare any Interests, financial or otherwise, which they may have in any Agenda Item. No interests were declared.

28.3 Audit Committee Concerns

Members were invited to raise any issues which they wish to discuss in the absence of College Management and Auditors. There were no concerns.

28.4 Auditor Concerns

Auditors were invited to raise any issues which they wished to discuss in the absence of College Management and confirmed that there were no items to discuss.

28.5 Minutes of the Previous Meeting

Governors **approved** the Minutes of the meeting held on 22 November 2022.

28.6 Matters Arising

Governors **monitored** action taken, and remaining to be taken, in respect of Matters Arising from the Minutes of previous meetings.

CC confirmed that an approved suppliers list will be ready for the next academic year. **Action:** Carry forward: Compilation of a supplier list to be discussed with Tenet and sample frameworks for such a list to be sought.

CC

28.7 Determination of any other Urgent Business

CC explained that the Post-16 Audit Code of Practice requires a statement from an outgoing Principal. Governors noted this requirement and asked for further clarification from Bishop Fleming. **Action:** CC to provide an update on the requirement from SL concerning the P16ACOP at the next meeting.

CC

28.8 PWC Audit Report

CC confirmed that the College are still not able to approve the Financial Statements for 2021/22. CC explained that PWC has requested that further testing is to be carried out, and the deadline from the ESFA has been extended to 30 March 2023.

TG provided the background to the audit and added that PWC have had some staffing issues which have impacted on the audit. TG explained that the audit commenced in November, but further testing was requested in February. The College is supporting PWC to ensure that the audit doesn't negatively impact on the College or its reputation. Samples have been provided to PWC and further information and samples have been sent regarding the 'on-the-job' training hours, we are awaiting feedback.

A governor **asked** how many other Colleges had been selected for the audit. TG explained that PWC are working with many colleges at this time.

A governor **asked** if the ESFA had appointed PWC. TG confirmed that they had. The Chair thanked TG and CC and governors **noted** that there was no action for the committee at this time.

Tony green left the meeting at this point.

28.9 Internal Audit Reports

a) Progress report 2022/23

AH explained that the fieldwork had been completed for the Contract Management and Framework for Compliance Audits, with nothing significant being noted. The remaining Audits are scheduled for April & May.

Two briefings have been included in the report:

- Procurement & Contract Management
- ONS Review of FE Colleges

A governor **asked** if AH considers the ONS review to have an impact on the upcoming audits. AH confirmed that he did not see any impact at this stage.

b) Sustainability Framework

AH confirmed that it was a positive review with substantial assurance opinion. There was a small number of Management actions; Financial Regulations are to be uploaded onto the Website and updates are required to the Value for Money Policy.

Some samples were requested and whilst AH couldn't see references to sustainability, the evidence became clear via conversations with budget holders.

AH highlighted the work being carried out with Worcestershire County Council (WCC) and a consultant to establish a Carbon Reduction Plan.

DM added that he is a member of the Eco Committee within the College and confirmed the excellent work of that committee is driving sustainability across the College.

A governor **questioned** how substantial assurance could be given when sample testing showed no evidence of sustainability being discussed. AH explained that where samples do not provide the evidence, conversations are always sought. The assurance was provided from the outcomes of these conversations, where detailed discussions and understanding were clear.

SL **commented** on the collaboration work with the Council and was pleased that it was highlighted in the report.

c) FE Benchmarking Report 2021/2022

Action: KK to Carry forward this item to the next meeting.

KK

28.10 Strategic Risk Register – Autumn Term 2022

The Chair invited questions on the Risk Register.

A governor **queried** the gap between the original score and the current score getting wider. NW explained that the summer term is usually the term that has the least change in the register. The uncertainty within the sector and the difficulties with things such as recruiting students, recruiting staff, and the new regulation, the ability to achieve those scores is becoming harder.

Governors **noted** the volume of RED within the report but commented that this could be a national issue.

A governor **asked** for clarification concerning the full risk register and the item regarding the financial performance ratio being red. NW confirmed that after discussion it was agreed for this item to remain red. CC added that current KPIs are suggesting that the current year we will be good, but this may change, hence remaining at red.

Governors **were encouraged** by the actions being taken in response to the Risk Register and requested that SLT let the committee know if they can be of any support.

Governors **monitored** the College Risk Register and **recommended** it to the Corporation for approval.

28.11 FE Commissioner – Annual Report

Governors **received** the Annual Report of the Further Education Commissioner.

28.12 Any Other Urgent Business

There was no other urgent business.

28.13 Date and Time of Next Meeting

Tuesday 20 June 2023, 17:30 at The Source, Worcester

Asam Hussain, Ron Hill and Rachel Robson left the meeting at this point.

28.14- Confidential items

28.15 See Confidential minutes

There being no further business the meeting ended at 18:25

Signed:

Date: