CORPORATION BOARD of UNITED COLLEGES GROUP
Minutes of the Audit Committee
Wednesday 14 October 2020 6 pm – by Zoom

Members Present: Jan Knight (Chair), Norman Whyte, Derrick Betts, Amish Nathwani

In attendance: Zoë Lawrence, Amanda Thorneycroft, Richard Weighell (BDO).

1	**Welcome and apologies for absence** JK welcomed everyone to the meeting. There were no apologies - 100% attendance.
2	**Declarations of Interest in the agenda items** There were no interests declared.
3	**Minutes of meeting joint meeting held on 10 June 2020** The minutes were approved as an accurate record for signing. **Matters Arising** A number of matters arising were covered elsewhere on the agenda. Items that were not included: • Business Continuity Planning – it was agreed that this would be reviewed again at the March meeting, to enable this to reflect the impact and changes as a result of the coronavirus pandemic. JK asked AT to advise her a month in advance if this timeframe was not achievable. • back-up policies - AT said she would check to see if this action was included in the Follow-up report, and if not would advise the next meeting. • Re-tendering of external auditors - It was agreed that members of the Audit Committee would be involved in the sift and the selection process for the re-tendering of the external auditors. AT would advise ZL of the timing of this so that arrangements could be made. It was anticipated that the process would conclude before the Christmas break or early in the New Year.
4	**Terms of Reference** JK introduced this item acknowledging that there were some policy responsibilities that were not usually covered by an Audit Committee. Members understood that this was intended to spread duties and workloads across the committees. Members were content to accept this on the premise that the providence of the policy was made clear and assurances made on the expertise used in preparing them. Members were content to recommend the ToR to the Corporation for approval.

5	**STRATEGIC**
	   i. Audit Committee Annual Report
	   (Draft report had been provided in advance)

Members reviewed the annual report. A number of suggested amendments were made on the investigation section and to paragraph 17. Reference to the college's health and safety response to coronavirus would also be included.   Pending these changes the Committee was content to recommend the Annual Report to the Corporation for approval and submission to the ESFA at the end of the year.

ii. **Risk Management Meeting with the Executive**

Members of the Audit Committee had met with NB and AT on 16 September to discuss the approach to risk management and the introduction of 'deep dives' in risk areas. Following the meeting AN had circulated a risk register template. It was agreed that this revised template was not dissimilar to the one already in use, but that it did add more description and included an action plan in the template. AT said that she had not had the opportunity to discuss the use of the template with the wider SLT or risk groups in the College, and it may be that the risk management policy would need to be reviewed to incorporate it. There was general support from Committee members for the use of this template going forwards. AT agreed to implement this.

JK also suggested that the committee consider some initial topics for a 'deep dive' to provide advance warning to managers that they will be invited to future meetings. It was also agreed that a template be developed to facilitate this. NW suggested that the 'deep dives' be for areas of high risk as this would justify their selection. AN thought that it may be helpful to do this by organisational function/department and for managers of each to present their key risks. These approaches were not mutually exclusive. It was agreed to invite Stephen Davies to the Audit Committee in March to discuss the academic/teaching and learning risk register and Paul Bradley to the June meeting in respect of the IT risk register.

iii. **Risk Register**

A number of the increased risks on the risk register reflected Quintain's move to pull out of the property deal at Wembley and Willesden, and that next steps were currently uncertain. This had also impacted a financial risk on whether the project costs incurred to date should be written off. A decision could not be made on this at the moment. A capital grant from the government would be helping to ease the costs of IT storage which would help reduce that risk. The coronavirus risks to health and safety of staff and students were noted. The level of work and number of risk assessments that had been undertaken was noted. The college was prepared to be able to take teaching and learning online should there be further lockdowns/ closures.

AN asked if additional IT human resources had been brought in to support staff and students working remotely. AT said that this had not increased. NW commented that this must be a pressure which was foreseeable and should be addressed. AT accepted that it was an issue.

6	**INTERNAL AUDIT & EXTERNAL AUDIT**
	i. **Internal Audit Reports**
	(Reports were circulated in advance)
	a. **Fraud Report**

		This audit was conducted in response to the potential fraud risk posed by the changes to finance processes as a result of lockdown and remote working. These included email approvals for invoices and increased approval limits. The audit did not find any evidence of fraud but identified two areas of weakness where improvements could be made. These were the closing down of inactive accounts and duplicate payments. These issues had arisen from legacy processes before the merger. Members noted that the report was still in draft as BDO were unable to prepare their conclusion due to delays in receiving management responses. It was agreed that the final version of the report comes to the next meeting of the committee. **b. Safeguarding Report** The safeguarding IA had achieved a moderate assurance. RW confirmed that good controls were in place. The recommendations included improvements to the Steering Group ToR, which would be important if there was a safeguarding incident. JK said that she did not have as much confidence in this as the report portrayed, particularly on training. RW said that it was a positive outcome compared to other colleges with just a few issues to tidy up and nothing of significant concern. Members agreed that it would be useful for this report to be shared with the TLS Committee for information. **c. Follow up Audit** RW presented this report which was originally prepared in July 2020. A number of the target dates for the completion of actions in response to recommendations had passed but the majority of these were not high risk items. AT acknowledged that time had passed since the report was prepared, and offered to provide to the next meeting of the committee an updated list of actions and completion dates. AN asked if the Follow-Up audit had been reviewed by SLT. AT said that this was the case usually, but this report had not been taken to SLT this time. It was recognised that some actions may be obsolete now due to changes in systems since the original audit was undertaken. **ii. Revised Audit Plan** *(Revised version was provided in advance)* Members acknowledged the revisions to the plan following the last meeting. The inclusion of the IT security audit was noted, however, it was challenged why this focused on enrolment and not risks associated with connectivity, servers and content data in respect of students and staff working remotely. It was considered that these aspects posed a more significant risk to delivery than enrolment. JK pointed out that enrolment and the application process was ongoing and not just in August and September but appreciated the validity of the point made. AT agreed to discuss this with Paul Bradley and agree a wider approach for the next meeting in December. Consideration was given to the timing of the policy audit, however it was agreed that the learning to date needed to be utilised going forward in response to coronavirus, so the existing date for the audit would remain.
7	**AOB**	

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	No items were raised	
8	**Date of next meeting** **Wednesday 2 December (joint with Finance and General Purposes Committee** Meeting closed at 8.00 pm	

Minutes taken by Zoë Lawrence 15/10/2020

SIGNED: ……………………………………….. **Date:**

Jan Knight, Chair

ACTIONS

Ref	Action	Owner	Status
5i	To make amendments to the Audit Committee Annual Report as agreed and include on Corporation agenda for approval in December	ZL	**Complete**
5ii	To take forward the adoption of the new risk management template and consider any necessary amendments to the Risk Management policy as a result	AT	
5ii	SD to attend the March Audit Committee meeting for a 'deep dive' on teaching and learning risks	SD/ZL	
5ii	PB to attend the June Audit Committee meeting for a 'deep dive' on IT risks	PB/ZL	
6ia	For the final version of the Fraud IA report to be included on the agenda for the December meeting which will include the BDO conclusions	AT	**On agenda**
6ib	The Safeguarding IA report to be shared with the TLS Committee for information.	ZL	**Complete**
6ic	To provide an updated list of actions against target dates for the Follow-Up IA to the December meeting.	AT	**On agenda**
6ii	To review the scope for the IT Security Audit in the Audit plan for 20/21 and bring a revised scope back to the December meeting for agreement.	AT	
6iii **09/10/19**	To review management response to recommendation 3 of the business continuity IA	AT	**Carried forward**
5iii(a) **10/06/20**	To confirm the completion date for the back-up policies to be in place.	AT	
5ii **04/03/20**	AT to advise the Committee of the timings for the retendering for the EA so that members can be included in the process.	AT/ZL	