

**Minutes of the Audit Committee (AC) video-conference AC22.1 held on Wednesday 9 November 2022
Long Road Sixth Form College, Cambridge**

Present: Sebastian Rasinger (committee Chair), David Evans, Hugo Macey, and Alex Wong

In attendance: Yolanda Botham (Principal), Charlotte Hemmins (Finance Director), Hugh Swainson (Buzzacott, FSA), and Neil Clark (Wylie & Bissett)

Clerk: Anne-Marie Diaper

Ref	Actions:
AC22.1.1 Apologies for absence	None. The AC Chair welcome new Parent Governor, David Evans, to the committee and all members introduced themselves.
AC22.1.2 Declarations of Interest	None.
AC22.1.3 Request for any other business	None.
AC22.1.4 Minutes of AC21.3 Wednesday 22 June 2022	With no comments or amendments the committee approved the minutes of the last meeting as a true and accurate record.
AC22.1.5 Matters arising from the minutes not covered elsewhere on the agenda <u>Business Continuity Plan (BCP)</u>	<p>The Finance Director, spoke to the BCP which had been included in the papers. The revised plan had been delayed in drafting due to staff restructuring. She explained that the College had already had a BCP in place but this was a new draft document with new content which had not yet been shared with the College leadership team. She commented that some further development was needed to parts of the plan (scenarios) but that the pandemic had been the biggest exercise against the BCP.</p> <p>Governors asked questions about the timeline expected to further develop the plan, and other matters that might fall under the plan. The FD explained that some matters were discussed in the risk group (eg. disruption to bus services). A Governor asked if any table top exercises were planned to test the BCP, and another Governor mentioned communications as part of the action/reaction. The FD explained that the plan would undergo further testing after which the BCP would be brought back for further review.</p>
AC22.1.6 Annual report and self-assessment of effectiveness from the Audit Committee 2021/22	The committee considered the first draft of its annual report for 2021/22. Members discussed various aspects of the draft report and the AC Chair commented that it wasn't necessary for the committee to complete all the sections, only those relevant. The committee discussed a point in the ToR which was also covered in the Post-16-Audit-Code-of-Practice (P16ACOP) about retendering for audit services. The committee

Ref**Actions:**

confirmed they were content with the accuracy of the report and would feed back any final comments to the Clerk by 18 November 2022.

AC22.1.7 Risk Management

Risk Management Annual report 2021/22. Referring to the P16ACOP, the FD explained that the report was to assure the AC of the adequacy and effectiveness of College risk management processes and arrangements throughout the year. She explained the process for the committee and spoke to particular highlights of the report.

Review risk register 2022/23 and termly update. The risk register had been updated with changes highlighted clearly. The Risk Management Action Plan had also been included in the papers. FD highlighted latest changes to the Risk Register. The committee touched on a couple of risks for discussion, commenting the register and action plan were very thorough and detailed and clearly kept under active review. Overall the committee felt content with the emphasis on each risk and it was helpful to see the tracked changes. The AC thanked the FD for the reports.

AC22.1.8 Key financial controls report

The AC Chair handed over to Neil Clark from Wylie & Bissett who presented the key financial controls audit report included in the papers. He outlined the 10 areas covered by the report; the summary update from last year rolled into recommendations for the current year. He drew the committee's attention to the 17 good practice points on pages 13-15, commenting that the audit report gave 'overall substantial assurance'.

Governors discussed the two recommendations (one low, one medium), the work done to date in respect of these, and the reasons for these recommendations arising in the College. The FD confirmed she was happy with the report, and the AC thanked the internal auditor and the management for a positive outcome.

Neil Clark left the meeting at 6.06pm

AC22.1.9 Internal/specialist audit reports

HR audit. The AC was presented with a self-explanatory report, which would also be presented to the Finance & Resources committee. The Principal explained that the audit had been carried out for operational reasons but also provided additional assurance for Governors. She explained the background to the report and the follow-up actions/recommendations within to the report.

A Governor noted that the report provided assurance that the core functions of HR were working adequately. Governors were informed that the recommendations would be carried through to further improve the service to include CPD time for the staff involved.

The FD reminded the meeting that the internal audit plan for next year would be determined by June 2023.

Ref**Actions:****AC22.1.10 Audit assurance mapping**

The assurance map had been included in the papers for the committee to review, with changes clearly marked. The FD highlighted that the assurance map was being amended to be aligned to the new strategic plan. She outlined where amendments and updates had been made. One Governor was impressed that the assurance map was already aligned with the priorities set out in the new strategic plan. Committee members felt that governance oversight in some of the sections could be strengthened a little or reflect the number of valuable assurances brought to the Corporation, and could be useful in terms of documenting governance work being carried out. The FD and the Clerk would work on this together.

FD/Clerk**AC22.1.11 Draft financial statements for year ending 2021/22**

Hugh Swainson from Buzzacott drew the committee's attention to the post audit completion report which had been circulated with the papers.

He spoke to the highlights of the post audit management report, carried out on the year end audit of financial statements. He commented that the audit had gone well this year. Page 2 of the report contained the audit opinion, regularity assurance where no issues were raised, the TPS audit carried out in September 2022 raised no issues. The auditor confirmed that all queries shown on page 3 were now closed down, and no adjustments to the core numbers or system were found. He added that in terms of financial control the external audit had touched on similar points to the internal audit financial controls report. Inflation and funding were major issues going forward and he commented that the audit assessment of going concern and financial viability forecast aligned with Colleges own assessment. The auditor was content with tested capital projects work. Journal entries were checked and the RoI was in order. He spoke to volatility of the LGPS liability. A Governor asked about actuarial valuation, and the auditor gave a heads up about the standard auditing process planning for the next year. He drew Governors' attention to a few more points in the audit report before closing.

The AC Chair congratulated the management on behalf of the committee on an outstanding audit report. He asked a question about diversity of income which was something included in the strategic plan, and a short discussion followed.

The Principal asked the auditor to clarify what was meant by 'the sector' and which were the institutions against which the College was benchmarked. The auditor explained and drew attention to relevant areas within the report.

Governors commented that the report and the audit process seemed clear and helped the committee to understand clearly where the College was in terms of finance.

With a number of very small editorial amendments, the committee agreed to recommend the written content in the financial statements

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Actions:

for the year ended July 2022, including the governance statement, and regularity audit, for Board approval.

Hugh Swainson left the meeting at 6.54pm.

AC22.1.12 Re-confirmation of the appointment of the external auditor (FSA)

The FD reminded the committee that each year the Board must reconfirm the appointment of the FSA following the external audit.

The FD commented that the annual financial statements audit (carried out remotely) had been thorough and well planned and the auditor was very competent.

Board

On the basis of the committee's observations, and the management opinion, the AC would recommend the reappointment of the FSA.

AC22.1.13 Any other business

None. It was agreed that the agenda for future meetings would be reordered so that external contributors can leave earlier in the meeting after their agenda item.

AC22.1.14 Date of next meeting

AC22.2 Wednesday 23 March 2023. The meeting closed at 7pm.