

**Minutes of the Audit Committee (AC) meeting AC23.1 held in College on Wednesday 8 November 2023
Long Road Sixth Form College, Cambridge**

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

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

Clerk: Anne-Marie Diaper

Ref	Actions:
AC22.1.1 Apologies for absence	Apologies were received from Chris Cope. The meeting welcomed Hugh Swainson from Buzzacott. Alex Wong joined the meeting by Teams.
AC23.1.2 Declarations of Interest	None.
AC23.1.3 Request for any other business	None.
AC23.1.4 Minutes of AC21.3 Wednesday 21 June 2023	With no comments or amendments the committee approved the minutes of the last meeting as a true and accurate record.
AC23.1.5 Matters arising from the minutes not covered elsewhere on the agenda	<p>AC22.3.6 Audit assurance mapping. It was agreed that consideration of a specialist audit of the College's Safeguarding and Wellbeing service would be discussed in the context of the 2023/24 internal audit plan at the 23.3 Audit committee meeting on 26 June 2024.</p> <p>AC22.3.8 Risk management. The meeting touched on generative AI, a matter that had been briefly discussed at the AC22.3 June 2023 meeting. The senior managers reported that AI was discussed at the College's risk management group. It was not perceived as a specific risk at the current time, but College was but monitoring this carefully, as it was a vastly developing topic. Plagiarism rules and policies had been updated with definitions around AI, and focus groups in College around AI were discussing this. It was a theme for further exploration and possibly further training for Governors.</p> <p>The AC Chair asked that the order of the agenda be amended slightly to allow external visitors to present their items and leave the meeting.</p>
AC23.1.8 Key financial controls report	<p>Neil Clark from Wylie & Bisset joined the meeting by Teams to present the Key Financial Control audit report.</p> <p>This was the 3rd year of this firm carrying out financial controls for the College. Main objectives were that effective financial procedures in are place, segregation of duties, and management oversight.</p>

The auditor reported that recommendations in last year's report around the purchase ledger register and fixed asset register had since been implemented. He gave an overview of the report which he described as strong assurance, with no recommendations. The audit included a review of grant income but that was also signed off to the value of £91k.

A Governor asked a question about credit card authorisation limits. Last year's report touched on some issues which were resolved for the current year. It was explained that there was a corporate limit for College managers, and the Principal and Finance Director have a higher limit.

The AC thanked Wylie & Bisset for a clear report. The table on page 19 in the report was particularly useful. The AC also thanked the managers for their work around this subject.

Neil Clark left the meeting at 5.32pm.

AC23.1.10 Draft financial statements for year ending 2022/23

Hugh Swainson from Buzzacott drew the committee's attention to the post audit management report which had been circulated with the papers. He picked out the key points. The external audit had gone well this year. Page 4 highlighted the results of the audit, including pension adjustment and operational surplus. The College was considered a strong financial going concern, despite a difficult financial period. Accounts were found to be broadly the same as in previous years. New MPM references were shown on page 6. Awareness of MPM had been demonstrated and policies were in place in College. More work had been carried out on general IT controls than in previous years, but no recommendations had been raised around this. Core numbers had received no amendments, and there were no disclosures. Two housekeeping control recommendations were set out in the appendix page 19, to note. A major item included this year was capital work. He pointed out that there was no depreciation included in these accounts for this capital project.

Page 14 accounting estimates outlined support staff pensions. He explained this on the financial statements and the extent to which this was an asset or liability for the College and that it did not impact on organisational financial health assessments.

Page 16 specified that no fraud had been identified or notified during the audit. The FSAs touched on the letter of representation. Pages 17 and 18. Financial health in page 22. Benchmarks from page 23 onwards all which were in good order. The financial statements would need something adding on teachers' pension scheme for the 2020 valuation. Rates were going up from April 2024 by 5% (at the moment funded for FE colleges and academies).

Governors asked questions about (i) matters noted on page 19, and when these matters would be implemented (the College answer was

Ref		Actions:
	<p>immediately), and (ii) the financial health score (outstanding/good) which the Finance Director explained.</p> <p>The AC thanked the external auditor and the management for another clean report.</p> <p>The committee agreed to recommend the written content in the financial statements for the year ended July 2023, including the governance statement, and regularity audit, for Board approval.</p> <p><i>Hugh Swainson left the meeting at 5.57pm.</i></p>	
AC23.1.6	<p>Annual report and self-assessment of effectiveness from the Audit Committee 2022/23</p> <p>The committee considered the first draft of its annual report for 2022/23. Colleagues had been asked to input to the draft. In terms of function and business for the committee during the year, the AC felt that discussions were thorough.</p> <p>The AC was content to recommend its annual report for Board approval.</p>	Board
AC23.1.7	<p>Risk Management</p> <p><u>Risk Management Annual report 2022/23.</u> The FD spoke to her written report. This was a standing annual risk management item for the committee. She spoke to her report highlighting certain risks that from 2022/23 had been focussed on throughout the year. One Governor commented that risks were appraised very closely, and the register updated.</p> <p>A Governor asked how changes in risks were tracked and retired where appropriate. The AC asked a follow up question as to how scoring of risks developed over time and he gave an example of a particular risk relevant to this question.</p> <p><u>Review risk register 2023/24 and termly update.</u> The risk register had been updated with changes highlighted clearly. The risk management action plan had also been included in the papers. The FD highlighted latest changes to the risk register. The committee discussed one particular risk and the way that College was handling and monitoring that going forward. As this was an annual risk register, some risks that had been removed might be resurrected. A Governor made a suggestion about handling retired risks on the register.</p> <p>The committee discussed a high level risk (4.7) and a Governor asked if there were clear numbers around this. The Principal commented that data was regularly discussed at Standards committee on this risk but this had been, and would again at the appropriate time, be also shared with the Board.</p> <p>The AC thanked the FD for the reports.</p>	

Ref**Actions:****AC23.1.9 Audit assurance mapping**

The assurance map had been included in the papers for the committee to review, with changes clearly marked. The FD reminded committee of the purpose of the assurance map and how it is handled. She talked through the additions and changes to the map.

There had been a JCQ inspection just this week, which needed to be added to the map. The committee discussed various sections of the assurance map in relation to the site/estate and possible capital developments.

With no further questions, the AC thanked the managers for the report.

AC23.1.12 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. Buzzacott had been appointed on a 5-year contract, 3 years ago. The audit process had gone smoothly this year. The auditor was good at feeding back to management on various matters, and management wished to recommend their appointment for a further year. From an AC perspective, the committee commented, that it seemed the auditor/College relationship was working well. There was a short discussion about auditors attending meetings and availability of the auditor to Corporation members to discuss matters if desired.

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

Board**AC23.1.13 Any other business**

None.

AC23.1.14 Date of next meeting

AC23.2 Wednesday 20 March 2024. The meeting closed at 6.50pm.