

THE COLLEGE OF RICHARD COLLYER

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON Friday 23 June 2023 at 14.00

Present: Sarah Ediss, Susan Martineau, Dom Valente

In attendance: Members of SMT - Ian Dumbleton (FD), Dan Lodge (Principal),
Andrea John (VP Pastoral) for Item 6, Steve Martell (DP) for Item 11

Russha Sellings (Clerk)
External - Chris Rising (MHA MacIntyre Hudson) for Item 11 only via Zoom

In the Chair: Dom Valente

It was agreed to adapt the ordering of agenda items as needed during the meeting.

1. Chair Introductions and Apologies for Absence

The Chair opened the meeting. Apologies were received and accepted from Karl Banister.

2. Declarations of Interest

None declared with respect of the agenda items.

3. Minutes of the meeting 15 March 2023

The minutes of the previous meeting were approved without amendment.

4. Matters Arising

None to report other than those already covered on the agenda.

5. Financial Statements preparation

Paper: External Audit Strategy (to 31 July 23)

The FD reported the College was prepared for the audit to proceed in the early part of the autumn term. The Committee heard that Buzzacott were in agreement with the College on recording Mercer continuation grants in the accounts over a 3-year period, as opposed to the advice from the former auditors where it was included in the income of the year when originally agreed. This adjustment would have a marginal impact on the budget in the short term and very limited risk to the future financial health rating within the context of maintaining an outstanding rating, which was already increasingly challenging in the current landscape.

A member asked whether the College were aware of the impact of the new auditing standards. The FD said this was referenced in the planning document; there was an enhanced focus on cyber security and fraud with some additional assessments to be completed prior to the audit. Cyber crime was on the rise, and it was reiterated that it would be useful to understand the learnings from a local feeder school who had been subject to a recent ransomware attack. **(Action: Principal)** In the interests of sharing good practice, the Principal was pleased to report that there had been a recent visit from a primary school in the prospective MAT with the IT lead able to share expert knowledge which would have otherwise have been bought in. It was hoped there would be further collaboration opportunities.

There were some questions on the impact of complying with the Managing Public Money (MPM) framework following reclassification, how resource intensive this might be or indeed whether any benefits had been realised from it. An additional ESFA financial return was required post the ONS decision. The FD had recently reflected changes in the College Finance Regulations pending receipt of a new College Financial Handbook to be issued by the ESFA during the next academic

year. The most significant impact would be the requirement to seek approval from the DfE on the loan from The Mercers' Company.

Recommendation: The Governing Body approve the Audit Plan.

6. EQR Progression

Paper: Progression EQR

The VP (Pastoral) was present to provide the Committee with an update. It was pleasing to note the cross-college approach to progression was an example of a strength running through the provision. Most of the constructive feedback related to areas the College was already aware of, however there were several action points and one development area, in particular, around the work experience (WEX) offering. There was now 98% participation rate in WEX, which was considered very positive following the Ofsted observation that the opportunities were not evidenced as being consistently applied. In terms of enhancements, it would be beneficial to assess the impact and tailor the experiences to specific students, especially for high achieving learners. Some adjustments for mental health had already been made. Members asked about internships. The VP (Pastoral) said this was in response to creating an alternative offering in scenarios where students hadn't been able to secure a suitable option; the College had been very impressed with the external provider delivering the virtual package. In response to a question from a member on the evaluation process, The VP (Pastoral) said that a self-reflection action for learners would be implemented through a pilot progression pathway.

Members also queried the quality and suitability of the reviewers. The VP (Pastoral) advised the College paid to access the review body and reviewers were subject to a rigorous training process. It was recognised that some reviewers may focus on areas aligned with their expertise, for example, there was a particular focus on apprenticeships in the report.

It was further confirmed that the Q&C Committee had oversight of annual UCAS acceptance data in terms of HE progression.

[14.26 – The VP (Pastoral) departed the meeting]

7. Appointment of Internal Auditor 2023

Paper: Top sheet

The Committee had undertaken a rigorous selection process which included an evaluation of alternative assurance models. The FD had also spoken directly to the assigned audit managers and sought feedback from the College's external auditor. In terms of competence and quality of offering, the two external audit proposals were broadly similar. When assessing value for money, members determined that Wylie + Bisset offered the best value with a saving of over 40%, a comparable client base and good references from other S7 colleges. While they were not located geographically near the College, they had offered the option to conduct occasional onsite audits if required, to be negotiated separately. A discussion took place on service terms, and it was suggested to check the details of the engagement letter to ensure there was an exit clause after the first year in case needed. A point was also noted that Wylie & Bisset's proposal was for a fixed price over three years, while the Scrutton Bland offer was subject to annual increases. It was suggested by a member that the contract basis should be for three years (to lock in the lower pricing), but with an option to cancel after the first 12 months.

Recommendation: The Governing Body approve Wylie + Bisset as their Internal Auditor from autumn 2023 for a 3 year term (subject to an option to cancel after the first 12 months).

8. Risk Management Annual Report 22-23

Papers: RMG minutes 22 May 23 College-wide Risks, External Risks, Fraud report, Anti-Fraud and Regularity Policy

a) *RMG minutes of 22 May 23

The minutes were accepted. The impact of AI in education was raised in advance by the Committee Chair. The Principal advised an S7 cross staff working party would be established to consider positives, negatives, efficiencies and any workforce impacts.

b) College Wide Risks

The risks associated with B.1 had significantly reduced since the last meeting and the Shelley Building was now operational. The highest governance risk (G.2) was also noted as having an improved rating with progression of mitigations. P.1 risks were discussed, specifically whether the External Risk Register should reflect the demand and current timescales for counselling services due to the risk implications. The Principal believed the External Risk Register was for documenting broader risks.

Members asked whether the newly appointed HR Manager had any views on retention strategy in H.4. The Principal advised this would be addressed in the development of the People Strategy. Recruitment and retention was a risk for all S7 colleges, who planned to collaborate to consider whether joint buying power could lead to an improved employee value proposition across the consortium. In the longer term, becoming a MAT could be more advantageous.

c) External Risk Register

No further comments.

d) Fraud report

Members were satisfied that the overall controls were sufficient, however the frequency of the ILR audit was challenged. The FD responded that the external auditor undertook an annual review, furthermore the College had recently been subject to random sampling by the ESFA which revealed no irregularities. A risk based assurance process was suggested, although it was acknowledged the ILR review should be undertaken more routinely than others. It was requested the FD take advice and report back especially in light of MPM guidance. **(Action: FD)**

There was a question on the opportunity for fraudulent activity in the processing of invoice payments and members were assured no one person could approve an invoice.

9. Policies for review

Papers: Whistleblowing Policy, Conflicts of Interest Policy and Gifts & Hospitality guidelines

i) Whistleblowing Policy

The Clerk explained the updates. It was recommended the policy name be consistent with Government guidance. It was noted the policy included Governors, Co-optees and Trustees. There was also a new advisory service and enhanced information about safeguarding and whistleblowing.

Recommendation: The Governing Body approve the Whistleblowing Policy.

ii) Conflicts of Interest Policy (new)

The Clerk explained the rationale for the development of the new policy which had been created to ensure the processes for addressing conflicts were as transparent as possible. The Clerk also planned to move to an online process for the register of interests which also served to be GDPR compliant.

Recommendation: The Governing Body approve the new Conflicts of Interest Policy.

[15.00 – The DP joined the meeting]

iii) Gift & Hospitality Guidelines

It was agreed to remove the highlighted word 'corruptly' as any gift in the manner of inducement should not be accepted.

The guidelines had been extracted from the Financial Regulations to ensure they were accessible to staff. The FD took an action on request of members to check the process for recording gifts and hospitality. *(Action: FD)*

Resolved: The Committee approved the guidelines subject to amends and checking of the internal process to record the receipt of gifts.

10. Regularity Audit (self-assessment)

Members heard there were several additional questions relating to MPM. Following a discussion on the sources of evidence, it was agreed to create a version for internal reference and one for approval at the next Governing Body meeting. Members suggested further detail on the financial health rating and routes to ensure value for money be added as additional evidence to the related question on page 22. *(Action: FD)*

Recommendation: The Governing Body approve the Regularity SAQ subject to amends.

[13.15 Chris Rising joined the meeting via Zoom]

11. Internal Audit Reports

Papers: Estates and QA reviews

i) Estates

The review provided substantial assurances which was particularly positive due to the number of recent capital projects and provided confidence in the future for the development of the estates masterplan. The auditor who attended site was thanked for the thorough review.

ii) Quality Assurance

The policy and framework was robustly assessed and was found provide an adequate level of assurance. There were 2 low priority recommendations and members attributed this to alignment of practice and process. A minor correction would be made prior to finalising the report.

It was noted there was an ILR audit scheduled for next month.

[13.25 Chris Rising was thanked for his recent work and departed the meeting]

12. AOB

None to report.

13. Annual Meeting Assessment

Papers: Committee ToR

The Nominations Committee would meet directly following Audit and the ToR was due for review as included in the meeting papers.

14. Date of Next Meeting

The meeting would take place on 22 November 2023, 8.00

The meeting closed at 15.30

Chair.....

Date.....