



External minutes (Final)

**MINUTES OF CIRENCESTER COLLEGE
AUDIT COMMITTEE MEETING
Monday 21st November 2022 at 5.00 pm**

Present:

Chris Haslam (CH) Via Teams
Nicole Saunders (NS) Via Teams
Andrew Tubb (AT)
Julian Tudsbery (JT) Chair
David Zan-Kreyser (DZK) Via Teams

In attendance:

Nick Case (Cirencester College – IT Manager) (NC)
Carol Davey (Mazars – Audit Senior Manager) (CDA) Via Teams
Angelo Faria (Cirencester College - Finance Director) (AF)
Peter Holmes (Chair of Corporation (PH) (To item 9)
Jon Marchant (Mazars – Audit Partner) (JM)
Jacqui Parry-Jones (Cirencester College – Head of HR) (JPJ)
Jeannie Adam (Clerk to the Corporation) (JA)

GC – Governor comment.

GQ – Governor question.

CD – Committee decision.

1. **Apologies**

There were no apologies received. All committee members were present.

2. **Members Declarations of Interest**

No member declared an interest in any item on the agenda.

3. **HR System (confidential verbal report)**

The details of the discussions are recorded in the confidential minutes of the meeting.

The Chair thanked JPJ for her attendance at the meeting and update to the committee.

JPJ left the meeting.

4. IT and Cyber-security report (confidential)

- a. The IT and cyber-security report for November 2022 had been circulated with the agenda for the meeting.

The details of the discussions are recorded in the confidential minutes of the meeting.

The IT and cyber-security report for November 2022 was noted by the committee.

- b. The IT and cyber security risk register for November 2022 had been circulated with the agenda for the meeting and was noted by the committee.

The Chair thanked NC for his attendance at the meeting, his reports and updates to the committee.

NC left the meeting.

5. Losses and fraud/whistleblowing (Confidential - included in confidential minutes only)

- a. Notification of incidents of losses or fraud since the last meeting on 13th June 2022 (verbal report)

The Finance Director advised that there have been no incidents of losses or fraud since the last meeting.

- b. Notification of any whistleblowing incidents since the last meeting on 13th June 2022 (verbal report)

The Clerk advised that there have been no whistleblowing incidents since the last meeting.

6. Minutes of previous meeting (13th June 2022)

- a. Confidential internal minutes

The confidential internal minutes of the Audit Committee meeting on 13th June 2022 had been issued with the agenda for the meeting. The minutes were agreed to be an accurate record of the meeting and were signed by the Chair.

- b. External minutes

The external minutes of the Audit Committee meeting on 13th June 2022 had been issued with the agenda for the meeting. The minutes were agreed to be an accurate record of the meeting and were signed by the Chair.

7. Matters arising from the previous minutes (13th June 2022) not covered elsewhere in the agenda.

There were no matters arising from the previous minutes (13th June 2022).

8. Mazars Audit Completion Report 2021-2022 (confidential)

Mazars Audit Completion Report 2021-2022 had been circulated with the agenda for the meeting.

The details of these discussions are recorded in the confidential internal minutes.

PH left the meeting.

9. **Members' Report and Financial Statements (year ended 31st July 2022)**

- a. The Members' Report and Financial Statements (year ended 31st July 2022) had been circulated with the agenda for the meeting.

GC – The difference in the pension valuation is significant.

JM commented that the recent volatility in many areas after many years of stability will mean that valuation changes are likely to continue.

CD – The committee recommends the approval of the Members' Report and Financial Statements (year ended 31st July 2022) by the Corporation at its meeting on 5th December 2022.

- b. Audit 2021-2022 – the letter of representation to be signed by Chair of the Corporation and Accounting Officer had been circulated with the agenda for the meeting.

CD – The committee recommends the Corporation, at its meeting on 5th December 2022, authorise the Chair of the Corporation and Accounting Officer to sign the letter of representation.

- c. Going concern 2021-2022 – the regularity assessment document had been circulated with the agenda for the meeting.

AF advised the committee that Mazars need to be assured of the going concern status of the college before the signing of the financial statements for 2021-2022 and made the following point:

- The document confirms the going concern status of the college and healthy cash balance moving forwards.

CD – The committee recommends the Corporation approve the going concern document at its meeting on 5th December 2022.

- d. Regularity engagement assurance – the letter of representation to be signed by the Chair of the Corporation and Principal had been circulated with the agenda for the meeting.

CD – The committee recommends the Corporation, at its meeting on 5th December 2022, authorise the Chair of the Corporation and Principal to sign the regularity engagement assurance letter of representation.

- e. 31st July 2022 FRS102 Actuaries Advisory document

Action - As this document had been made available to the committee on 21st November it was agreed that the Clerk would issue this to the committee by email and also that it would be an item on the agenda of the next meeting of the Audit Committee on 6th March 2023.

CDA left the meeting.

10. **Risk Assurance Register**

The Risk Assurance Register (November 2022) had been circulated with the agenda for the meeting.

The Finance Director drew the attention of the committee to changes to the document highlighted in grey and made the following point:

- The November 2022 financial statement by the Chancellor of the Exchequer had not identified any new funding for post 16 education.

GQ – How is more resilience being addressed for the SLT?

A – Recruitment of a high level, trouble shooter role is taking place.

The Risk Assurance Register (November 2022) was noted by the committee.

11. Interim Risk Management Report

The Interim Risk Management Report (November 2022) had been circulated with the agenda for the meeting.

The format of the report has not changed.

The Finance Director drew the committee's attention to the key risks within the report.

GQ – Who owns the college land?

A – Freehold is owned by the college.

The Interim Risk Management Report (November 2022) was noted by the Audit committee.

12. Outstanding audit recommendations

To receive the registers of outstanding audit recommendations as of November 2022:

- a. HR Audit – July 2020 (note: this report was received by Audit Committee at its meeting on 13th June 2022 and was re-circulated to the committee with the agenda for this meeting).

CD - In light of the report from the Head of HR (see item 3 of these minutes) regarding the implementation of the new HR system (CIPHR), the committee agreed to keep the outstanding audit recommendations of the HR Audit of July 2020 open and that they be an item on the agenda for the meeting on 6th March 2023 where further progress with the CIPHR system can be reviewed.

13. Internal audit 2022-2023

The committee noted the current status of the internal audits for 2022-2023 (as approved by Corporation on 27th June 2022):

- a. Core financial controls – from TIAA. This internal audit will be commissioned for March/April 2023.
- b. Asbestos – management & penetration survey. The report by Amiantus Asbestos Consultants had been circulated with the agenda for the meeting.

GC – This survey and report has been very prudent given the level of building work on campus.

- c. Cyber security assurance. A penetration test will be commissioned for the early part of 2023.
- d. Employer related review – work placements, work experience etc. Details to be confirmed at a later date.

The Finance Director advised that there has been an audit of pastoral and safeguarding conducted by an ex- HMI inspector. The safeguarding Focus Governor has been involved and will report to Corporation in due course.

GQ – Is there liaison between the Corporation and SLT on internal audits to be carried out?

A – The role of the Audit Committee to advise the Corporation on all matters regarding internal audits is written into the committee terms of reference. Focus governors may identify areas that require attention.

The committee did not have any further recommendations for the Corporation meeting on 5th December 2022 regarding the internal audits for 2022-2023.

14. Audit Committee Annual Report

The draft of the Audit Committee’s annual report 2021-2022 which will be presented to the Corporation meeting on 5th December 2022, had been circulated with the agenda for the meeting.

CD - The committee approved the draft Audit Committee annual report 2021-2022 to be issued to the Corporation at its meeting on 5th December 2022.

15. Audit Committee Annual Performance

The summary report into the performance of the Audit Committee during 2021-2022 which is collated from the self-assessment questionnaires completed by members of the Audit Committee, had been circulated with the agenda for the meeting.

The committee noted the Audit Committee annual performance report for 2021-2022.

16. Audit Committee Calendar of Business 2022-2023

The Audit Committee calendar of business 2022-2023 (with minor updates) had been circulated with the agenda for the meeting.

CD - The committee approved the Audit Committee calendar of business 2022-2023 which will be included on the agenda of the Corporation meeting on 5th December 2022.

17. Policies

The following policies, which will go before the Corporation meeting on 5th December 2022 for approval, had been circulated with the agenda for the meeting:

- a. Fee Income Policy 2022-2023 – deferred from June 2022 Audit and Corporation.

CD – The committee agreed to defer the review of the Fee Income Policy 2022-2023 to its meeting on 6th March 2023.

- b. Whistleblowing Policy and Procedure

GC – There is some inconsistency of wording with reference to ‘workers’ and ‘employees’ in the policy. Also, minor duplication in the final paragraph.

Action - Clerk to advise Head of HR for updates to be made in time for Corporation meeting on 5th December 2022.

c. Fraud Prevention Policy

GC – A diminimis level of fraud should be written into the policy to ensure no misinterpretation of a minor incident of fraud. Any fraudulent activity should be reported to the Audit Committee.

Action – Finance Director to make these amendments to the policy in time for the Corporation meeting on 5th December 2022.

- d. Treasury Management Policy
- e. Value for Money Policy
- f. Assurance Framework Policy

CD - The committee recommends that the draft Treasury Management Policy, Value for Money Policy and Assurance Framework Policy be approved by the Corporation at its meeting on 5th December 2022.

18. Loan repayment and capitalization thresholds

The loan repayment and capitalization threshold proposals had been circulated with the agenda for the meeting.

CD – The committee will defer discussions of the loan repayment proposals until its meeting on 12th June 2023

CD – The committee will recommend to the Corporation meeting on 5th December 2022 that the capitalization threshold should be increased from £1000-£2000. This will be reflected in the notes to the external auditors in 2023.

JM left the meeting.

19. External Auditors tender process – confidential. Committee members and Finance Director only

The details of these discussions are recorded in the confidential internal minutes.

20. Any other business

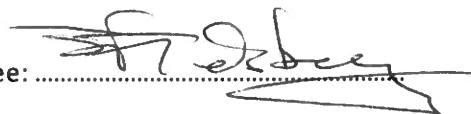
There was no further business for the committee.

21. Date of the next meeting

The next Audit Committee Meeting will take place on 6th March 2023 in the board room at Cirencester College.

The meeting closed at 7.15pm.

Signature of Chair of Audit Committee:



External minutes 21/11/2022
(Final)

Date: 6/3/23

Committee action from this meeting and outstanding business for the next meeting			Complete?
Item 9e	31 st July 2022 FRS102 Actuaries Advisory document to be circulated by email to committee and added to the agenda for Audit Committee on 6 th March 2023.	Clerk	23/11/2022 - complete. Added to draft agenda for 6 th March 2022.
Item 12	The outstanding audit recommendations of the HR Audit of July 2020 to remain open and that they be an item on the agenda for the meeting on 6 th March 2023 where further progress with the CIPHR system can be reviewed.	Clerk	23/11/2022 - Head of HR advised by email. Item added to agenda for 6 th March 2023.
Item 17a	Review of Fee Income Policy deferred to 6 th March 2023 meeting.	Clerk	Complete
Item 17b-17f	Policies to be added to Corporation agenda on 5 th December 2022 for approval	Clerk	Complete
Committee action from previous meetings.			
None			