



External minutes (Draft)

**MINUTES OF CIRENCESTER COLLEGE
AUDIT COMMITTEE MEETING
Monday 6th March 2023 at 5.00 pm
Board Room at Cirencester College**

Present:

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

In attendance:

Nick Case (Cirencester College – IT Manager) (NC)
Angelo Faria (Cirencester College - Finance Director) (AF)
Karen Fraser (Cirencester College – VP Student Experience and External Relations) (KF)
Jacqui Parry-Jones (Cirencester College – Head of HR) (JPJ)
Jeannie Adam (Clerk to the Corporation) (JA)

Observing:

Ben Mathis (Cirencester College – Student Governor)
Rachel Robson (Stone King – reviewer for external reviews of governance) (via Teams)

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 internal minutes of the meeting.

The Chair thanked JPJ for her attendance and update to the Audit Committee.

JPJ left the meeting.

4. IT and Cyber-security report (confidential)

- a. The IT and cyber-security report for March 2023 had been circulated with the agenda for the meeting.

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

The IT and cyber-security report for March 2023 was noted by the committee.

- b. The IT and cyber security risk register for March 2023 had been circulated with the agenda for the meeting and was noted by the committee.

NC left the meeting.

14di - The Chair moved item 14di (Internal audit 2022-2023 – safeguarding, wellbeing, welfare, tutorial, enrichment, careers and progression review) up the agenda.

The report following the safeguarding, wellbeing, welfare, tutorial, enrichment, careers and progression review in November 2022 had been circulated with the agenda for the meeting.

KF advised that an ex-HMI for Ofsted had been commissioned to carry out a deep dive into safeguarding, wellbeing, welfare, tutorial, enrichment, careers and progression. A number of quick wins had been identified and action taken:

- Renewal process for DBS checks for all staff is now in place. This is prioritised to target areas of greatest risk.
- Prevent risk assessment has been completed. Counter terrorism training has been completed by staff and may be rolled out to students.

GQ – Is safeguarding under regular review?

A - Yes. The Focus Governor for safeguarding is involved in the process and meets regularly with the pastoral team.

AF, in his capacity as Risk Manager, asked how the Audit Committee would like to track the recommendations from this report.

CD – A separate report to the Audit Committee showing the action taken against the recommendations should be provided.

Action – AF (in capacity as Risk Manager) to meet with KF to develop a report template for Audit Committee.

The Chair thanked KF for her attendance at the meeting, her reports and updates to the committee.

KF 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 21st November 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 21st November 2022
(verbal report)

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

6. Minutes of previous meeting (21st November 2022)

a. Confidential internal minutes

The final confidential internal minutes of the Audit Committee meeting on 21st November 2022 had been issued with the agenda for the meeting. (Draft minutes had been issued to the committee on 28th November 2022 and were received by the Corporation at its meeting on 5th December 2022). A correction was made to item 4a – the cost implication of staff ID cards was corrected to £2,000 (not £20,000). The minutes were agreed to be an accurate record of the meeting and were signed by the Chair.

b. External minutes

The final external minutes of the Audit Committee meeting on 21st November 2022 had been issued with the agenda for the meeting. (Draft minutes had been issued to the committee on 28th November 2022 and were received by the Corporation at its meeting on 5th December 2022). 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 (21st November 2022) not covered elsewhere in the agenda.

There were no matters arising from the previous minutes (21st November 2022).

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

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

9. ONS reclassification

- a. HM Treasury Managing Public Money (MPM) (March 2022) had been circulated with the agenda for the meeting.

The Clerk advised that MPM covers all bodies receiving public money and as such is very high level. Chapter 4 refers to governance and management.

The Audit Committee noted Managing Public Money (March 2022).

The ESFA guidance documents (bite-sized guides) to aid the meeting of the new requirements following reclassification had been circulated with the agenda for the meeting.

- b. College requirements for write-offs and losses (31 January 2023)
- c. Senior pay controls for colleges (31 January 2023)
- d. College requirements for special payments including severance, compensation and ex-gratia payments (31 January 2023)

- e. College requirements for indemnities, guarantees and letters of comfort (31 January 2023)
- f. College requirements for novel, contentious and repercussive transactions (31 January 2023).

Items 9b – 9f were noted by the committee.

10. Risk Assurance Register

The Risk Assurance Register (March 2023) 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 points:

- The ranking of risks remains unchanged.
- Student behaviour issues have been added to risks 7 and 8. Action to mitigate these are in hand.

GC – It is generally accepted that all areas of education experience a deterioration in behaviours post Covid.

CD – Risk 10 (pandemic) - should be retained and updated to a generic risk to capture the impact of business interruption for any reason.

The Risk Assurance Register (March 2023) was noted by the committee.

11. Interim Risk Management Report

The Interim Risk Management Report (March 2023) 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.

GC – The increases to the capital projects mean that the buildings are being future proofed.

GC – Refurbishments are always more problematic than new builds and will tend to go over budget.

The Interim Risk Management Report (March 2023) was noted by the committee.

12. Capital Projects Progress Report

The Capital Projects Progress Report as of March 2023 had been circulated with the agenda for the meeting.

AF commented that there are 14 capital projects underway at the moment. Any questions can be raised directly with AF and the Audit Committee will be updated again at the meeting on 12th June 2023.

The Capital Projects Progress Report (March 2023) was noted by the committee

13. Outstanding audit recommendations

To receive the registers of outstanding audit recommendations as of March 2023:

- 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 close this item and that the HR system will be a standing item on future Audit Committee agenda with a report from the Head of HR until the implementation is complete.

Action – Clerk to add HR System update report as a standing item on future Audit Committee agenda with a report from the Head of HR until the implementation is complete.

14. 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.
AF confirmed that this internal audit will take place on 26th-28th June 2023.
- b. Asbestos – management & penetration survey.
Complete – reported to Corporation on 5th December 2022.
- c. Cyber security assurance.
As noted in agenda item 4a (IT and Cyber Security Report) a penetration test will be commissioned after April 2023.
- d. Employer related review – work placements, work experience etc.
AF will discuss the timing with the Principal as work placements and work experience are critical to the T Level delivery.

Action – AF to discuss timing of work placements and work experience internal audit with the Principal and report back to the committee on 12th June 2023.

di - Safeguarding, wellbeing, welfare, tutorial, enrichment, careers and progression review. Steven Tucker (17th and 18th November 2022). This item was moved up the agenda by the Chair.

The committee did not have any further recommendations for the Corporation meeting on 20th March 2023 regarding the internal audits for 2022-2023.

15. Policies

The following policies, which will go before the Corporation meeting on 20th March 2023 for approval, had been circulated with the agenda for the meeting:

- a. Cirencester College Fees Policy 2022/2023 (note deferred from 21st November 2022 meeting).
- b. Cirencester College Fees Policy – draft for 2023-2024.

AF requested that the review of Cirencester College Fees Policy 2022/2023 and Cirencester College Fees Policy – draft for 2023-2024 be deferred to the Audit Committee meeting on 12th June 2023.

CD – Subject to this being treated as a priority due to its earlier deferral, the committee agreed to defer the review of the Cirencester College Fees Policy 2022-2023 and Cirencester College Fees Policy – draft for 2023-2024 to its meeting on 12th June 2023.

Action – AF to prepare the Cirencester College Fees Policy 2022-2023 and Cirencester College Fees Policy – draft for 2023-2024 for circulation to the committee in advance of the meeting on 12th June 2023.

Action – Clerk to add Cirencester College Fees Policy 2022-2023 and Cirencester College Fees Policy – draft for 2023-2024 to the agenda for the Audit Committee meeting on 12th June 2023.

16. Pensions - 31st July 2022 FRS102 LGPS Pensions accounting valuation

Further to the Audit Committee meeting on 21st November 2022, the following document was identified as meriting further consideration by the committee (minutes of 21/11/2022 meeting refer):

- 31st July 2022 FRS102 LGPS Pensions accounting valuation report (seen by committee 21/11/2022) and was circulated with the agenda for the meeting.

Committee members reported that they had been unable to access the document in the format supplied.

Action – Clerk to download and issue the document to the committee members by email on 8th March 2023. Any questions arising can be raised with the Finance Director or can be added to the agenda of the meeting on 12th June 2023 at the request of committee members.

BM left the meeting.

17. Auditor performance review - confidential

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

The performance review of the external auditors was noted by the committee.

18. For information - Recent documentation which informs the work of Audit Committee

- a. The ESFA guidance - The scope of work of audit committees and internal auditors in college corporations (updated 25th January 2023) had been circulated with the agenda for the meeting and was noted by the committee.
- b. The Department for Education guidance – Secretary of State for Education statutory intervention powers for the further education sector (December 2022) had been circulated with the agenda for the meeting and was noted by the committee.

The Clerk drew the attention of the committee to the examples in the guidance of failings that may lead to statutory interventions.

AF advised that changes to liquidity ratios by the ESFA could lead to a change in the college financial rating. Any change would be responded to with a narrative report.

- c. The ESFA guidance – 16 to 19 funding: information for 2023 to 2024 (9th January 2023) had been circulated with the agenda for the meeting and was noted by the committee.
- d. The HM Treasury guidance – Energy bills discount scheme (9th January 2023) had been circulated with the agenda for the meeting and was noted by the committee.

19. Any other business

There was no further business for the committee.

20. Date of the next meeting

The next Audit Committee Meeting will take place on 12th June 2023 at 5pm in the board room at Cirencester College.

CD – It was agreed that as JT will be abroad, DZK will chair the meeting on 12th June 2023.

The meeting closed at 7.05pm.

Signature of Chair of Audit Committee: David FZ

Date: 12/06/23

| Committee action from this meeting and outstanding business for the next meeting | | | Complete? |
|--|--|---------------------------|---|
| Item 4b | AF (in capacity as Risk Manager), KF and NC to develop a revised IT risk register for future reporting to the Audit Committee. | AF/KF/NC | AF/NC met on 22/5/2023. Complete. |
| Item 14di | AF (in capacity as Risk Manager) to meet with KF to develop a report template for Audit Committee. | AF/KF | Chased by email 10/5/2023. Pending from KF. |
| Item 8 | Clerk to make arrangements for the interviews and presentations with Mazars and Bishop Flemming with the potential for these to take place during the week commencing 3 rd April 2023. | Clerk | Complete – 5 th April 2023. |
| Item 13 | Clerk to add HR System update report as a standing item on future Audit Committee agenda with a report from the Head of HR until the implementation is complete. | Clerk | Complete |
| Item 14d | AF to discuss timing of work placements and work experience internal audit with the Principal and report back to the committee on 12 th June 2023. | AF | Pending – email sent 10/5/2023. To be addressed with Interim Principal. |
| Item 15 | AF to prepare the Cirencester College Fees Policy 2022-2023 and Cirencester College Fees Policy – draft for 2023-2024 for circulation to the committee in advance of the meeting on 12 th June 2023. Clerk to add Cirencester College Fees Policy 2022-2023 and Cirencester College Fees Policy – draft for 2023-2024 to the agenda for the Audit Committee meeting on 12 th June 2023. | AF Clerk | Complete Complete |
| Item 16 | Clerk to download and issue 31 st July 2022 FRS102 LGPS Pensions accounting valuation to the committee members by email on 8 th March 2023. Any questions arising can be raised with the Finance Director or can be added | Clerk. Committee members. | Complete – sent by email 8 th March 2023 |

| | | | |
|---|---|-----|----------|
| | to the agenda of the meeting on 12 th June 2023 at the request of committee members. | | |
| Item 20 | DZK to chair the Audit Committee meeting on 12 th June 2023. | DZK | Complete |
| Committee action from previous meetings. | | | |
| None | | | |

