



External minutes (Final)

MINUTES OF CIRENCESTER COLLEGE AUDIT COMMITTEE MEETING Monday 20th November 2023 at 5.00 pm

Present:

Tony FitzSimons (TF)
Chris Haslam (CH) Via Teams
Andrew Tubb (AT)
David Zan-Kreyser (DZK) Chair

In attendance:

Nick Case (Cirencester College – IT Manager) (NC)
Angelo Faria (Cirencester College - Finance Director) (AF)
Fiona Galbraith (Chair of Corporation) (FG)
Marc Heritage (Mazars – Engagement Manager) (MH)
Jon Marchant (Mazars – Engagement 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.

Note – FG, as the newly appointed Chair of the Corporation (with effect from 3rd November 2023), was in attendance at the meeting to:

- Further her learning and understanding of the functions and responsibilities of the Audit Committee.
- To receive the Mazars Audit Completion Report to 31st July 2023 prior to the Corporation meeting on 4th December 2023.
- To receive the draft Members' Report and Financial Statements 2022-2023 prior to the Corporation meeting on 4th December 2023.

1. Apologies

Apologies were received and accepted from Nicole Saunders. Karen Fraser (VP Cirencester College) sent her apologies to the meeting. The meeting was quorate.

2. **Members Declarations of Interest**

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

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

The notes of the discussions are recorded in the confidential internal minutes for 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 2023 had been circulated with the agenda for the meeting.
- b. The IT and cyber security risk register for November 2023 had been circulated with the agenda for the meeting.

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

The IT and cyber-security report for November 2023 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 12th June 2023 (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 12th June 2023 (verbal report)**

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

6. **Minutes of previous meeting (12th June 2023)**

- a. **Confidential internal minutes**

The confidential internal minutes of the Audit Committee meeting on 12th June 2023 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 12th June 2023 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 (12th June 2023) not covered elsewhere in the agenda.**

Item 13 (confidential). The notes of the discussions are recorded in the confidential internal minutes for the meeting.

8. Mazars Audit Completion Report 2022-2023 (Confidential)

Mazars Audit Completion Report 2022-2023 had been circulated with the agenda for the meeting.

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

CD - The committee noted Mazars Audit Completion Report and will recommend it to the Corporation meeting on 4th December 2023.

The Chair thanked JM and MH for their report and attendance at the meeting.

JM and MH left the meeting.

9. Members' Report and Financial Statements (year ended 31st July 2023) (Confidential).

- a. The draft Members' Report and Financial Statements (year ended 31st July 2023) had been circulated with the agenda for the meeting.

The notes of the discussions are recorded in the confidential internal minutes for the meeting

GC – Some minor formatting issues and typographic corrections to content need to be made.

Action – Finance Director and Clerk to address the corrections to the final document for Corporation on 4th December 2023.

- b. Audit 2022-2023 – The letter of representation to be signed by Chair of the Corporation and Accounting Officer had been circulated with the agenda for the meeting.

The letter of representation was noted by the committee and recommended to the Corporation meeting on 4th December 2023.

- c. Going concern 2022-2023 – regularity assessment had been circulated with the agenda for the meeting.

The Going Concern 2022-2023 regularity assessment was noted by the committee and recommended to the Corporation meeting on 4th December 2023.

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

The regularity engagement assurance- letter of representation was noted by the committee and recommended to the Corporation meeting on 4th December 2023.

10. Risk Assurance Register

The Risk Assurance Register (November 2023) had been circulated with the agenda for the meeting.

The Finance Director drew the attention of the committee to the document and advised that the format of the document remains unchanged from previous meetings of the committee. The key risks were referred to as per the report.

GQ – What has the college response to Martyn’s Law been?

A – The Finance Director will establish this and report back to the committee in March 2024.

Action – Finance Director to establish college response to Martyn’s Law and report back to the Audit Committee meeting on 4th March 2024.

GC – The volume of information in the Risk Assurance Register means it is difficult to consider within a meeting of the committee.

The Finance Director commented that there are a myriad of risks and mitigations.

GC - The Chair of the Committee suggested the the monthly focus meeting with the Finance Director could be expanded to cover any questions raised by the Risk Assurance Register.

GQ – Could the format of the register be considered to enable greater scrutiny? Could the mitigation structure of the register be reviewed?

A – The SLT could consider this and any changes in approach to the register.

GC – The Chair of the Corporation suggested the Corporation strategy meeting could be a forum where college risks and the strategic approach to these be addressed.

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

11. Interim Risk Management Report

The Interim Risk Management Report (November 2023) had been circulated with the agenda for the meeting.

The format of the report remains unchanged from previous meetings of the committee.

GC – Some general comments regarding the report will be shared with the Chair of the Committee and Finance Director at the next focus meeting.

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

12. Outstanding audit recommendations

- a. Core financial controls report – report from TIAA had been circulated with the agenda for the meeting.

The core financial controls audit took place on 26th- 28th June 2023 and gave substantial assurance. The ESFA bite-sized guides are to be included in the Financial Regulations.

Action – Finance Director to include ESFA bite size guides into the Financial Regulations.

- b. Cyber security assurance.

The IT Manager to confirm the current status of proposals for penetration testing to the committee.

Action – Clerk to contact IT Manager for an update on the proposals for penetration testing.

- c. Employer related review – work placements, work experience etc.

The Finance Director to confirm to the committee the discussions between the Interim Principal, Finance Director and VP Student Experience and External Relations.

Action – Clerk to contact Finance Director for an update on the employer related review work placements, work experience etc.

- d. Safeguarding, wellbeing, welfare, tutorial, enrichment, careers and progression review 17th and 18th November 2022. The report detailing the actions following this audit had been circulated with the agenda for the meeting and was noted by the committee.

13. Internal audit 2023-2024

The committee noted the current status of the internal audits for 2023-2024 (as approved by Corporation on 26th June 2023):

- a. Cyber security assurance – item 12b refers.
- b. Employer related review – work placements, work experience etc.
- c. New HR system – following the introduction of the new HR system and to seek assurance for data quality, access controls, error reports.
- d. Staff recruitment and retention – to challenge staff retention, recruitment expenditure and link to student experience.
- e. ILR data – to provide assurance given the critical need for accuracy for the ESFA.
- f. Financial controls, budgeting and effective financial reporting – June 2024 via TiAA.

CD - The committee recommends to the Corporation meeting on 4th December 2023 that the proposed internal audits for 2023-2024 continue as planned.

Action – Clerk to add this recommendation for internal audits 2023-2024 to the agenda for Corporation meeting on 4th December 2023.

14. Audit Committee Annual Report

The draft of the Audit Committee's Annual Report 2022-2023, which will be presented to the Corporation meeting on 4th December 2023, had been circulated with the agenda for the meeting.

GC – Some minor formatting issues and typographic corrections to content need to be made.

Action – Clerk to address the corrections Audit Committee Annual Report 2022-2023 to the final document for Corporation on 4th December 2023.

CD - The committee approved the draft Audit Committee Annual Report 2022-2023 to be issued to the Corporation at its meeting on 4th December 2023.

15. Audit Committee Annual Performance

The summary report into the performance of the Audit Committee during 2022-2023 which is collated from the self-assessment questionnaires completed by members of the Audit Committee, had been circulated with the agenda for the meeting.

GC – The monthly focus meeting with the Finance Director could be expanded to facilitate other matters for consideration by the committee.

The committee noted the Audit Committee annual performance report for 2022-2023.

16. Audit Committee Calendar of Business 2023-2024

The Audit Committee Calendar of Business 2023-2024 (with minor updates) had been circulated with the agenda for the meeting.

CD - The committee approved the Audit Committee Calendar of Business 2023-2024 (with minor updates) 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 4th December 2023 for approval:

- a. Financial Regulations – to be amended to include Managing Public Money (MPM) , ESFA bite sized guides and ‘Dear Accounting Officer’ letter following ONS reclassification.

CD – Following a request by the Finance Director the committee agreed that the revised draft of the Financial Regulations be circulated to the committee for comment by email and submitted to the Corporation meeting on 4th December 2023 for approval.

- b. Subcontract Fees and Charges Policy(2023-2025) had been circulated with the agenda for the meeting.
- c. Supply Chain Fees and Charges Policy (2023-2025) had been circulated with the agenda for the meeting.

CD - The committee recommends that the draft Financial Regulations, Subcontract Fees and Charges Policy (2023-2025) and Supply Chain Fees and Charegs Policy (2023-2025) be approved by the Corporation at its meeting on 4th December 2023.

18. Management accounts – good practice guide for colleges

The ESFA guidance ‘Management accounts – good practice guide for colleges’ (Updated 16th March 2023) had been circulated with the agenda for the meeting and was noted by the committee.

19. Loan re-securitisation (Confidential)

An email exchange between Finance Director and Lloyds Bank Relationship Manager regarding the re-securitisation of the loan with Lloyds Bank had been circulated with the agenda for the meeting.

The Finance Director updated the committee that due process is being followed with Lloyds Bank regarding the loan re-securitisation process and a 9 year charge on the T Level building. The ESFA has given permission for this proposal.

GC – The Chair of the Corporation will receive a further update from the Finance Director regarding the securities which exist on college buildings/assets.

AT and TF left the meeting.

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 4th March 2024 in the Board Room at Cirencester College.

The meeting closed at 7.15pm.

Signature of Chair of Audit Committee: *David EK*

David Zan-Kreyser

Date: *04/03/2024*

Committee action from this meeting and outstanding business for the next meeting			Complete?
Item 9a	Finance Director and Chair of Corporation to meet on 27 th November 2023.	FG/AF	Complete
Item 9a	Finance Director and Clerk to address the corrections to the final document for Corporation on 4 th December 2023.	AF/JA	Complete
Item 10	What has the college response to Martyn's Law been? Finance Director to establish college response and report back to the Audit Committee meeting on 4 th March 2024.	AF	Complete – incorporated into interim risk management report and on agenda for 4 th March 2024
Item 12a	Finance Director to include ESFA bite size guides into the Financial Regulations.	AF	Complete - on agenda for 4 th March 2024
Item 12b	Clerk to contact IT Manager for an update on the proposals for penetration testing.	JA/NC	Complete – incorporated into IT and cyber security report for March 2024.
Item 12c	Clerk to contact Finance Director for an update on the employer related review work placements, work experience etc.	JA/AF	Complete – on agenda for 4 th March 2024
Item 13	Clerk to add recommendation for internal audits 2023-2024 to the agenda for Corporation meeting on 4 th December 2023.	JA	Complete
Item 14	Clerk to address the corrections Audit Committee Annual Report 2022-2023 to the final document for Corporation on 4 th December 2023.	JA	Complete
Committee action from previous meetings.			
None			