

**Minutes of the Meeting of the Audit Committee
held remotely on Thursday 14 May 2020**

- Present: -** Mr Mike Rookes (Chair)
Mr Graham Briscoe (Co-opted Member)
Mr Jo Hedges
Ms Emma Lewis (Co-opted Member)
Mrs Kay Sandford-Beal
- In attendance: -** Mr Tim Williams (Finance Director)
Miss Jane Simons (College Accountant)
Mrs Linda Watkins (Clerk to the Governors)
Ms Abigail Appleton (Principal)
Ms Laura Goodwin (RSM)

The meeting was quorate as five members of the Audit Committee were present.

1. Apologies for Absence

There were no apologies. The Chair welcomed Jo Hedges and Kay Sandford-Beal to the Committee.

2. Declarations of Interest

None declared.

3. I. Minutes of the Last Meeting

Governors agreed the Chair should sign the minutes of the meeting held on 2 December 2019 as a true and accurate record.

Matters arising were noted which had been addressed or were on the agenda. A Governor raised the College's relationship with Herefordshire Council and the Principal confirmed that the leader is supportive of the College and development of Higher Education in Herefordshire.

The Committee agreed: -

- To approve the minutes

4. RSM Internal Auditor's Reports

Laura Goodwin, RSM, presented the reports.

- I. The progress report showed that two audits remained outstanding in addition to the follow up audit. The strategic planning framework would be completed remotely. The student experience, mental health and wellbeing audit would be deferred due to the COVID-19 pandemic. A Governor commented that COVID-19 has had a major impact on College strategy asking if the audit would review the College's implementation of contingency plans. The impact of COVID-19 was recognised; however, the audit would review the strategic planning framework. RSM are working remotely with the Finance Director to prepare the audit strategy for next year. Information and briefings were provided including suggestions for colleges to counter fraud which would be discussed on the agenda. The ISO/IEC 27002 (information security controls), is a mandatory requirement which

- ESFA has deferred until 2021/22 due to COVID-19.
- II. The health and safety audit was given reasonable assurance with six low level and two medium recommendations. Several recommendations related to cohesion of processes and the requirement to embed procedures. In relation to procedures, there was a question about reporting of accidents and if there is a feedback mechanism to managers so that procedures can be improved. Systems are being assessed and changes embedded. Medium level recommendations were discussed. There will be a centralised location for records of risk assessments which will follow a standard format. Risk assessment forms are required for trips, visits, work placements and hazardous materials and equipment.
 - III. Key financial controls was given reasonable assurance with two medium level recommendations which were reiterated from the previous year. These related to ensuring management accounts are provided to Governors in a timely manner as opposed to issuing for a Board meeting. Information to be retained on file for supplier amendments and training for staff on procurement and value for money. A Governor commented that reports indicate that controls are in place; however, there does not appear to be full compliance to processes which was a trend in several audit reports. The Finance Director responded that some processes are time consuming and low level. Assurance was provided that issues will be addressed throughout the College. There was a generic observation that there were no specific comments or actions identified by managers in RSM's reports. RSM would add responses from manager to future reports. **ACTION RSM.**
 - IV. The benchmarking report 2018/19 showed that the College had been given the second audit opinion which matched 82% of other colleges. Governors commended staff agreeing that the report indicated good levels of assurance for the College's internal processes.

The Committee agreed: -

- To note the Internal Auditor's reports and sector updates

5. **Risk Management Register and Report**

The risk register and COVID-19 risk reports had been discussed by the Board in April. Funding and regulatory bodies are working closely with institutions to provide support during the COVID-19 pandemic. The College is discussing course provision and outcomes for students due to complete programmes in 2020 with UWTSD.

Student applications were discussed noting that FE acceptances are buoyant and HE acceptances similar to last year. It is anticipated that there will be a reduction of international students in the sector; however, this was not expected to affect HCA. A Governor asked about the potential scale of deferred HE offers. The Principal responded that this was uncertain and that surveys by University UK and UCAS anticipate 15% and 18% deferred places respectively.

The F&GP Committee are discussing finance and proposals for consideration by the Board to address issues resulting from COVID-19. These include ensuring premises are fit for purpose to deliver teaching and learning whilst maintaining social distancing, which will also affect student transport. The College has a strong cash balance and is forecasting a strong cash balance at the year-end.

There was another question about staff wellbeing whilst staff are working remotely, particularly if staff have, or live with people, with underlying health conditions. The Principal responded that staff are being supported with useful

mental health and wellbeing information shared regularly. Government guidance is being followed. The College term means that only a limited number of 2nd year students will return to College this academic year. The College will liaise with staff and complete risk assessments to ensure robust safety measures are put in place whilst protecting staff and students' wellbeing. The Principal has joined a group with Herefordshire Council and representatives of Headteachers regarding responses to COVID-19. SLT are discussing measures to be put in place once the lockdown is lifted. This will include a different teaching and learning timetable to ensure safety and meet social distancing requirements.

The Committee agreed: -

- To note the risk register

6. Recommendation Tracking

This item was deferred to the next meeting.

7. Counter Fraud Policy and ESFA self assessment questions to counter fraud

This was presented for information following discussion at the last meeting.

The Committee agreed: -

- To use RSM's counter fraud questions as a self assessment
- A Counter Fraud Policy would be prepared for adoption

ACTION: FINANCE DIRECTOR/CLERK TO THE GOVERNORS

8. Any Other Business

A Governor asked how the external audit would be addressed during the COVID-19 pandemic. The Finance Director responded that he had discussed this with Mazars proposing staff attend the College where possible to complete the audit as opposed to doing so remotely. Fieldwork for the audit is planned during October half term. Mazars have highlighted accounting regulations which will have an impact and cost to the College. There was discussion about the potential impact of COVID-19 on some institutions which may mean that auditors no longer report colleges as 'going concerns'. This will become more apparent for institutions in the autumn.

9. Date and Time of the Next Meeting

The next meeting was arranged for Monday 8 June 2020 commencing at 2.00 pm.

Signed as a true record of proceedings:

Chair: **Date:**