

**AUDIT COMMITTEE MEETING  
MINUTES**

Date: Thursday 24 September 2020

Venue: Online

Time: 5.30pm

<b>Chair</b>	Neil Yeomans
<b>Corporation Members</b>	Gareth Wall, Cynthia Griffin
<b>Co-opted Member</b>	Thana Nathan
<b>Auditors</b>	Leisyyen Keane - Internal Auditors (Scrutton Bland)
<b>Officers</b>	Gerry McDonald: Group Principal & CEO Suri Araniyasundaran: Deputy CEO
<b>Minutes</b>	Elsa Wright – Director of Governance

<b>Item No</b>	<b>Item of business</b>
<b>1.</b>	<b>Apologies for Absence</b> Paul Goddard (Scrutton Bland) sent his apologies which were accepted by the Committee.
<b>2.</b>	<b>Declaration of Interests</b> None received.
<b>3.</b>	<b>Minutes of the Last Meeting Held on 16 June 2020</b> The minutes of the meetings were <b>agreed</b> as drafted.
<b>4.</b>	<b>Matters Arising and Action Points from the Meeting</b> The action points would be addressed in the meeting or had been completed. The revised terms of reference would be brought to the December meeting along with the self-assessment review.
<b>ITEMS FOR DISCUSSION, DECISION OR ACTION</b>	
<b>5.</b>	<b>Internal Audit Assignment Reports</b> <b>5.1 Subcontracting report</b> The Deputy CEO confirmed that the contracts referred to in the sub-contracting report had now all be signed off. This was a good audit outcome and governors noted the report.
<b>6.</b>	<b>Implementation of Previous Audit recommendations</b>  <b>6.1 2019/20 Final progress report</b> Only 8 of the 80 recommendations were now outstanding. A number had been superseded by the implementation of new systems or processes and others were no longer relevant. In response to questions, the Deputy CEO confirmed that the timescales set were realistic. There was a discussion about the recommendation on cyber awareness which had a deadline of July 2021. This was ongoing with the Director of IT sending regular reminders and updates to all staff about new scams and alerts and that it was particularly important given the likely shift to online provision in the coming months. The Internal Auditor confirmed that there would be a follow up in May and progress would be fed back to the committee in the summer term. Governors asked whether there was concern about the level of outstanding debt. The Deputy CEO confirmed that the recommendation was in relation to automating the process of sending reminders and the current time taken to send them out. There was no concern about the level of debt.  The paper set out the detailed programme for the year, with the status of each audit shown on page 23 of the pack. Two audits had been carried forward and one postponed. The Apprenticeship audit was almost complete as it had been conducted remotely and the final paperwork had just been received by the Auditor. It was <b>agreed</b> that this would be shared with the committee as soon as it was available. This would enable the Chair to sign off the internal control reports. The Committee noted the report.  <b>ACTION – Auditor to share the report with the committee</b>  <b>6.2 2020/21 First progress report</b>

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	<p>The GDPR audit had started and the Deputy CEO confirmed that subcontractors were also bound by the GDPR requirements. The paper set out the plan for the year and the dates for each audit. The Committee noted the report.</p>
<p><b>7.</b></p>	<p><b>Plans for 20/21 and 3 year Plan</b></p> <p>Governors discussed the paper on alternative sources of assurance. In some cases, e.g. the curriculum audit, external support had been brought in for GCDs to develop areas such as benchmarking. A robust process had been developed working alongside the Director of MIS. Learner recruitment had been assessed against a quality standard matrix in 2019 and this would be done again in 2021. Data on staff recruitment and selection was shared with the Corporation. The Business Development review would be reported to Committees and external audit would look at governance over and above the work that the internal auditors had completed. The Chair was content with the approach set out in the paper but for areas that were reported to other committees, the reports should also come to Audit.</p> <p>There was a discussion about the matrix approach used within the college. For example, the report looking at ensuring the right learner was on the right course would be reviewed at C,Q and S rather than by Audit. The Audit Committee should see a summary and risks should be highlighted. The committee wanted to ensure that any reports that fed into the top 10 risks, identified by the College, came to them for review. It was important to review these keys areas and any sources of assurance. A table showing the reports and their associated committee would be helpful. A one page summary highlighting the underlying risks, how they were managed and what assurance was in place would be sufficient for many of the audits being scrutinised elsewhere. Members would be able to access the report and review the minutes of the committees to see the discussion. The reports should also be referenced in the risk register, as appropriate. The Chair would feed back some detailed points to the Deputy CEO.</p> <p><b>Action – IA schedule to include a table showing which Committee will review each report. Reports to be linked to the risk register. One page summaries to be prepared for Audit Committee for audits reported to other Committees.</b></p> <p><b>Action – Chair to feedback detailed comments to Deputy CEO</b></p>
<p><b>8.</b></p>	<p><b>Risk Register</b></p> <p>There were no new risks to be added and no significant changes. The register had been updated to reflect the reports from 2019-20. There was a discussion about how large construction projects were shown on the register. The Deputy CEO explained that they were not identified separately and they each had their own risk register. For large scale projects, the Committee's view was that they should be reflected in the Risk Register, particularly whole campus projects such as the Poplar redevelopment. The register was a live tool and would need to keep changing to reflect the current circumstances. The CEO explained that the largest risk at the present time was a second lockdown and that the college was working hard on mitigation such as testing online teaching, supporting staff and students to improve IT skills for online delivery and learning, and ensuring software was fully tested and working as planned. A large property project would be a huge risk to financial sustainability and the college had put mitigation in place at this early stage, including the revolving credit facility, project management and the use of property specialists to support governors on the Property Committee. This mirrored the approach taken to mitigating against an adverse OFSTED report which C, Q and S monitored using a variety of internal measures and approaches.</p> <p>It would be helpful to have a few bullets under each of the key risks which showed the mitigations in place currently. The current register would be kept under review. The register would be revisited again in the Summer when the Covid-related risks should have decreased. It was important the ensure that the high level register did not simply mirror operational risk management. It needed to reflect the key strategic risks related to the strategic objectives of the organisation. Governors were keen to ensure that it took on board any year end recommendations and that there was sufficient detail in it to offer assurance to the Board.</p> <p><b>Action – Current register to be updated to include mitigations.</b></p> <p><b>Action - Revisit the register and approach for June 2021 meeting.</b></p>

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9.	<p><b>Regularity Audit self-assessment questionnaire</b></p> <p>The questionnaire had been completed to provide evidence for the external audit of compliance with the regularity requirements. This reflected both the financial memorandum of the funding bodies and the post-16 Audit code of practice 2019-10. In addition to the paper in the pack, an annex had been sent to all members which had been sent out late by the ESFA. Governors were asked to review and send any comments back to the Deputy CEO by 13 October. Governors were content with the questionnaire as completed.</p> <p><b>Action – Governors to send any comments on the Annex to the Deputy CEO by 13 October</b></p>
10.	<p><b>Whistleblowing Report</b></p> <p>The Director of Governance reported that there had been no whistleblowing disclosures made in the previous 12 months. The policy was available on the staff portal. Governors asked whether there were processes in place for raising concerns before it became a whistleblowing issue. The College was unionised with a culture of staff being empowered to express their concerns directly to SMT members or via their union representatives. Students could raise concerns via the Student Union if they did not want to raise it directly with a member of staff. Safeguarding issues followed a different process. The Committee noted the report.</p>
11.	<p><b>Any Other Business</b></p> <p>The tendering process for external auditors was beginning and the Chair asked any members, who wished to take part, if they were available on 16 November. The panel would include the Chair of the Committee, CEO, Deputy CEO and at least one other committee member. Gareth Wall was available to take part with online or in person. Cynthia Griffin would be able to take part via Teams.</p> <p>Governors asked for an overview of the start of term, particularly in relation to the management of any Covid-19 cases. The CEO explained that there had been 14 cases across the group which was a relatively low level given a staff of around 1,700 and a student body of 15,000. There had been a cluster of cases in Havering and to date no cases in Tower Hamlets or Hackney. A number of students who had tested positive had been tested due to their work and had no symptoms. The testing of online learning has been accelerated and some software issues which had resulted in classes not being set up correctly had now been resolved.</p> <p>Although the numbers were small, the impact was large with around 80 staff out of college. The first positive staff had resulted in 78 students and 7 staff being sent home. Often, the cases were notified very late with results not available until 6 days after the test. Hospital admissions across London remained very low which was positive and plans were already in place to manage a full shutdown if that was necessary. Any decision would be made in consultation with the Chair of the Corporation unless the College was instructed to shut down.</p> <p>Redbridge Borough had a very high rate of infection and work had been accelerated to ensure students could work from home if there was a local lockdown. Students had been given access to laptops and additional support to access IT and the College was lobbying the GLA for additional support.</p> <p>The College was in a strong financial position and although there had been some impact from students not arriving from overseas, the full impact of this would not be known until the Brexit transition phase ended.</p> <p>In response the questions, the CEO explained that the key risk was students not reaching day 42 when their funding was confirmed. The sector was lobbying for flexibility on this and the date for adults would be after half term as course had not started until 21 September to allow for more limited numbers on campus for enrolment. 16-18 numbers were strong but needed to be managed to ensure students remained on roll.</p>
12.	<p><b>Date of Next Meeting</b></p> <p>The next Audit Committee would take place on Thursday 3 December. The Chair thanked everyone for attending and closed the meeting at 6.33pm.</p>