



Croydon
College



COULSDON
SIXTH FORM COLLEGE



Croydon
University
Centre

MEETING OF THE CROYDON COLLEGE AUDIT COMMITTEE
Thursday 17 March 2022 at 6.00pm
Virtual Meeting

PART ONE MINUTES

Present: Andrew Gilchrist (Chair)
Claudine Reid – from 6.18pm
Frederick Law
Tom Hesmondhalgh (Co-opted member)

In attendance: Lorna Raynes (LR), RSM
Ann-Christine Harland, Vice-Principal Finance and Resources

Clerk: Clare Mitchell, Director of Governance

1.	<p>Apologies for Absence</p> <p>Apologies for absence were received from Mike Fisher and Shachi Blakemore, Buzzacott.</p> <p>The terms of reference of the Audit Committee require three Governors to be present for quoracy. This meeting was quorate following the arrival of Claudine Reid. The items covered prior to the quoracy requirements being met were items 1, 2 and 5, which were for information only.</p>
2.	<p>Declarations of Interest</p> <p>The Chair declared that he was currently a Governor at Brooklands College.</p>
3.	<p>Minutes of the Meeting held on 25 November 2021</p> <p>The Part One minutes of the previous meeting were approved as a correct record subject to two minor amendments.</p>
4.	<p>Matters Arising not on the Agenda</p> <p>The Committee noted the updated action list. The VPF&R provided an update on action 5 from the Head of HR on the use of NDAs. These were used by the College in the form of settlement agreements, but only in line with good practice, and were applied to both parties. The College used a template for settlement agreements that had been reviewed by the College’s legal advisers, who would provide guidance on any changes required. The VPF&R provided an update on the use of settlement agreements in 2020/21 and in the first term of 2021/22. See confidential minute for further details.</p> <p>The Committee asked for an annual report from the Head of HR on the use of settlement agreements, to provide assurance that they were being used appropriately.</p> <p>Action: HoHR to provide an annual report to the Audit Committee on the use of settlement agreements, to provide assurance that they were being used appropriately</p>

	<p>The Committee noted that action 12 should refer to the ESFA, who had provided the Higher Technical Educational Provider Grant, rather than the OfS.</p>
5.	<p>Update on the Impact of Covid 19</p> <p>The VPF&R reported that the number of Covid cases among staff and students had been low until the previous week. The number of cases was now rising. The requirement for staff and students to test bi-weekly no longer applied, with the exception of the staff working with SEND students at the Pathway Centre. The College continued to follow the limited guidance that remained in place for educational institutions. The Committee noted the increase in cases and asked that this item remain on the agenda for future meetings.</p> <p>Action: DoG – update on the impact of Covid 19 to remain on the agenda for future meetings</p>
6.	<p>Internal Audit Reports</p> <p>The VPF&R reported that four internal audits had taken place since the last meeting. The cyber security internal audit report was not yet finalised. The finalised report will be submitted to the next meeting of the Committee.</p> <p>i) Internal Audit Progress Report</p> <p>The Committee noted that the field work for the DSAT and capital projects internal audits would begin in the w/c 16 May 2022. LR drew the Committee's attention to the statement confirming RSM's conformance with the IIA standards and codes of practice following an external quality assessment. LR will confirm which organisation had carried out the external assessment and inform the Committee.</p> <p>Action: LR to confirm which organisation had carried out RSM's external assessment against the IIA standards and inform the Committee</p> <p>ii) FE Benchmarking Report 2020/21</p> <p>The Committee noted that all of Croydon College's internal audit reports over the previous two years had received either reasonable or substantial assurance. Comparing assurance levels between Colleges was difficult as some Colleges chose more challenging areas for audit than others. However, Croydon College had not received any high priority recommendations over the previous two years and the College's annual internal audit opinion was at same level as the vast majority of FE Colleges.</p> <p>The VPF&R asked what proportion of the 9.7% of internal audits conducted by RSM at FE Colleges that received partial assurance related to cyber security. LR undertook to find out if this analysis was available.</p> <p>Action: LR to find out whether there was an analysis what proportion of the 9.7% of internal audits that received partial assurance related to cyber security</p> <p>The Committee noted that there had been a decrease in the number of Croydon College internal audits that had resulted in a substantial assurance opinion in 2021/22. LR explained that this figure varied from year to year. As part of the agreed cycle of internal audits, a number of the audits undertaken in 2020/21 had covered areas which had not been audited since merger e.g. estates, safeguarding and staff</p>

utilisation. These had been more challenging areas that had only received a reasonable assurance audit opinion.

iii) Follow Up Review

The Committee **noted** that the outcome of the review was that the College had made good progress in implementing the agreed management actions from the 2020/21 internal audit reports. This report did not follow up on the actions from the Learner Number Systems - Apprenticeships and DSAT Review internal audits. These were covered within the Learning Number System internal audit – see item 6.v below.

Two of the governance actions had been superseded. One action from the staff utilisation audit remained in progress. This related to documenting the reasons for closing a course.

iv) Key Financial Controls

The Committee **noted** that the internal audit opinion was one of substantial assurance and the report raised one low priority action. The purpose of the review was to evaluate the design of the key financial controls in relation to grant income and the College’s compliance with the policies and procedures relating to this income. The low priority action related to the introduction of a documented process for assessing and approving the decision to bid for grant income below £500K. The VPF&R reported that decision on whether to submit bids would now be taken formally through the Executive Committee.

v) Learner Number Systems (LNS)

The Committee **noted** the outcome of the annual review of LNS. The report included five management actions; two medium priority and three low priority. The issues identified in the report had not specifically resulted in an error in funding being claimed but represented issues with controls that could lead to a funding issue if not rectified.

The VPF&R reported that one of the medium priority actions related to a student who had been on a break in learning during a period of furlough and had updated her record to include evidence of training, which was outside the funding rules. This particular situation had resulted from changes to the rules around furlough and should not occur again.

The low priority action relating to reconciling start dates on the ILR had not taken place earlier in the year because of the significant number of January 2022 enrolments.

Of the agreed management actions identified in the 2020/21 DSAT Review and LNS – Apprenticeships internal audit reports; seven had been fully implemented and three were superseded by actions in this report.

vi) Cyber Security

Please refer to the confidential minutes of this meeting.

7. Standing Items

	<p>i) Report on any fraud/corruption/whistleblowing/GDPR issues</p> <p>See confidential minutes</p> <p>ii) External Audit of ESFA Grant for Higher Technical Education Provider Growth Fund</p> <p>The Committee approved the letter of engagement with Buzzacott for the Certification of the Higher Technical Education Provider Growth Fund subject to the version date being inserted. The Committee noted that the College self-certified and it was this self-certification that was then audited. The VPF&R reported that since this letter of engagement had been received, the ESFA had been asked to approve a delay in the expenditure of £40K of the £107K grant until after the 31/03/2022 deadline because of supply delays. If this was approved, a second external audit and certificate would be required, at an additional cost.</p> <p>iii) Reports on any additional work required by Auditors</p> <p>The VPF&R reported that Buzzacott now had all the documentation required for the final certification of the merger grant from the Transaction Unit.</p>
<p>8.</p>	<p>Guidance on the Scope of Work of Audit Committees and Internal Auditors in College Corporations</p> <p>The DoG introduced the report. The Committee noted that no specific reviews of governance or risk management were included within the internal audit plan for 2021/22. The internal auditors would base their assurance on these areas on the risk based internal audits included in the plan and the governance processes within the planned internal audits on key financial controls, budget monitoring and capital projects.</p> <p>The DoG reported on the proposed new requirement for Corporations to conduct an external governance review once every three years. The College would be due to have its next triennial external governance review in 2022/23 and the cost of this had been included in the budget. This review would be separate from the 2022/23 internal audit plan and, if undertaken by the College's internal audit firm, would need to be conducted by a different team to ensure independence.</p> <p>The Committee noted the report.</p>
<p>9.</p>	<p>Risk Management</p> <p>Please refer to the confidential minutes of this meeting.</p>
<p>10.</p>	<p>Review of Policies</p> <p>There were no policies for review at this meeting.</p>
<p>11.</p>	<p>Private Discussion – Auditors and the Audit Committee</p>

	LR indicated that there was nothing that she wished to discuss in private with the Committee. Committee members indicated that they had nothing they wished to raise privately with the internal auditor.
12.	Dates of Future Meetings Thursday 30 June 2022
13.	Other Business There were no items of other business.

Approved as an accurate record by the Audit Committee at its meeting on 30 June 2022

*Clare Mitchell
Director of Governance*