



MEETING OF THE CROYDON COLLEGE AUDIT COMMITTEE
Thursday 30 June 2022 at 6.00pm
Virtual Meeting

PART ONE MINUTES

Present: Andrew Gilchrist (Chair)
Frederick Law
Mike Fisher
Tom Hesmondhalgh (Co-opted member)

Observer: Nasim Jivani-Hemani

In attendance: Mike Cheetham (MC) and Clive Makombera (CM), RSM
Shachi Blakemore (SB), Buzzacott
Ann-Christine Harland, Vice-Principal Finance and Resources
Richard Sinclair (RS), RSM (Items 1-6)
Paul Marsden (PM), Director of IT and Estates, Item 6

Clerk: Clare Mitchell, Director of Governance

1.	Apologies for Absence Apologies for absence were received from Claudine Reid.
2.	Declarations of Interest The Chair declared that he was currently a Governor at Brooklands College. Mike Fisher declared that he was currently employed by the ESFA and his wife was the Governance Manager for the Croydon Local Government Pension Scheme.
3.	Minutes of the Meeting held on 17 March 2022 The Part One minutes of the previous meeting were approved as a correct record.
4.	Matters Arising not on the Agenda The Committee noted the updated action list. Action 3 – MC reported that Grant Thornton had undertaken RSM’s external assessment against the IAA standard. Action 4 – This information was not yet available. RSM would bring an update to the November meeting. Action 11 – The VPF&R would bring a report to the next meeting.
5.	Update on the Impact of Covid 19 The VPF&R reported that the number of Covid cases reported by staff was rising, with staff who tested positive often choosing to work from home. There had not been a noticeable increase in Covid cases among students to date. The Committee noted the update.

6.	<p>Secure Remote Working and Operational Resilience Internal Audit Report and Deep Dive into Cyber Security</p> <p>See confidential minutes.</p>
7.	<p>Internal Audit 2021/22</p> <p>i) Internal Audit Progress Report</p> <p>The Committee noted RSM's progress report and the attached updates on hybrid working and IT infrastructure/risks and an analysis of risk registers across the education sector.</p> <p>ii) Learner Number Systems - DSAT</p> <p>The Committee noted that the report had raised one medium and two low recommendations. These would be addressed before the final deadline for the final 2021/22 learner data submission in early November 2022.</p> <p>iii) ESFA Subcontracting Review/Certificate</p> <p>The Committee noted the outcome of the review of subcontracting controls No issues had been found in relation to the subcontracting of ESFA AEB income to The Skills Network in 2021/22</p> <p>The VPF&R reported that the report remained in draft as RSM had been asked to review £31k of costs to three contractors who had delivered practical assessments in year to plumbing apprentices, in an area where the College had been unable to recruit appropriately trained staff. These subcontracts had not been declared in advance to the ESFA and, subject to RSM confirmation, would need to be included in this report.</p> <p>The Committee expressed concern that a similar issue re undeclared subcontracts had arisen in 2020/21, although on that occasion the subcontracts related to work undertaken some years previously. The Committee asked what steps would be taken to prevent this reoccurring. The VPF&R stated that this particular issue was being addressed with the individual concerned. There would be further training for staff generally. The VF&R would provide a further update to the Board on 13 July 2022.</p> <p>Action: VPF&R to provide an update on the July Board meeting on the additional subcontracts under review by RSM.</p> <p>iv) Capital Projects</p> <p>The Committee noted that this internal audit was still ongoing and the report would come to the November 2022 meeting. The start date for this audit had been delayed, as capital work had not been able to proceed as planned because of delays to decisions on bids for grant funding.</p> <p>Action: VPF&R to bring the final capital projects internal audit report to the November 2022 meeting</p>
8.	<p>External Audit 2021/22</p>

	<p>SB indicated that the approach and timescale proposed for the 2021/22 external audit would be similar to the previous year. In terms of risk, the audit would cover the reporting of costs relating to the flood and the associated insurance claim and would review income recognition and the risk of clawback of grant income. There were also sector wide risks relating to the ongoing ONS review of whether FE Colleges should be reclassified as public rather than private sector. Cyber security was also an area of significant risk.</p> <p>Buzzacott would be placing reliance on RSM's audits of the College's ILR data. This would be supplemented by discussions with the Management Information Systems team and additional checks on a small sample of data as required by the ESFA.</p> <p>SC indicated that Buzzacott's approach was to ask to attend Board meetings to present their external audit findings only if there were significant issues. However, the final external audit report should be included within the Board papers and minuted. Buzzacott would present the draft audit findings report to the Audit Committee in November.</p> <p>The Committee recommended the external audit fee for 2021/22, plus the fee for the audit of the annual Teachers Pension Submission and the annual planning report to the Board for approval.</p>
<p>9.</p>	<p>Internal Audit Plan 2022/23</p> <p>CM presented the 2022/23 internal audit plan to the Committee. The plan had been developed following discussions with the VPF&R and the Chair of the Audit Committee. The VPF&R explained that the reviews of Learner Number Systems Study Programmes, Learner Number Systems Adults and Apprentices and DSAT reviews would now be undertaken on a three year cycle instead of all areas being reviewed annually. This might lead to slightly more external audit substantive testing in 2022/23.</p> <p>Learner Number Systems Study Programmes would be subject to internal audit in 2022/23 as the ESFA requirement for an additional forty hours to be included within these programmes came into force in September 2022. There would also be an internal audit on staff retention. This was likely to focus on opportunities for staff to progress and management of staff.</p> <p>The Committee expressed concern that safeguarding was not scheduled for an internal audit in the next three years. CM indicated that the plan could be flexed and it was agreed that the VPF&R would discuss the timing of the next safeguarding internal audit with the VPE&Q and report back to the next meeting.</p> <p>Action: VPE&Q to discuss the timing of the next safeguarding internal audit with the VPE&Q and report back to the next meeting</p> <p>The Committee recommended the internal audit fee and the internal audit plan for 2022/23 to the Board for approval.</p> <p>The Committee recommended the Letter of Engagement to the Board for approval. CM confirmed that RSM's business standards were unchanged from the current year.</p>
<p>10.</p>	<p>Standing Items</p> <p>i) Report on any fraud/corruption/whistleblowing/GDPR issues</p>

	<p>The VPF&R confirmed that there were no incidents to report.</p> <p>ii) Reports on any additional work required by Auditors</p> <p>The VPF&R noted the additional work on subcontracts by RSM as minuted above under item 7.iii. SB reported that the final version of Buzzacott’s external audit report on merger costs would be with the VPF&R by the following week.</p>
11.	<p>Post 16 Audit Code of Practice 2021/22</p> <p>The Committee noted the report and agreed that all Governors should be invited to attend the November Audit Committee meeting to hear Buzzacott present the draft external audit findings report. Buzzacott would not be expected to attend the December Board meeting unless there were significant issues with the external audit. The final audit findings report would be circulated to all Governors as part of the December Board papers.</p> <p>Action: DoG to invite all Governors to attend the November Audit Committee meeting to hear Buzzacott present the draft external audit findings report</p>
12.	<p>Risk Management</p> <p>The VPF&R presented the report and highlighted the most significant risks in each area as set out in the paper. The restructure of the senior management team at the Coulsdon Campus was now complete. Fiona Brennan had been appointed as an Assistant Principal at Coulsdon and would be stepping down from her role as Staff Governor for the Coulsdon Campus. The Student Services team was also being restructured to provide more robust cross campus support in areas such as wellbeing and student experience. The results from the most recent QDP student survey showed higher levels of satisfaction (Quartile B) for students at the Croydon Campus but lower levels of satisfaction (Quartile D) for students at the Coulsdon Campus.</p> <p>Both the UCU and the NEU were balloting their members on industrial action in September 2022. The VPF&R would be adding a risk relating to the ONS review of FE Colleges. A change from private to public sector classification would impact on Colleges’ ability to borrow to fund capital development and might have implications for any existing loans. It was agreed that this would be the subject to the risk deep dive at the next meeting of the Audit Committee.</p> <p>Action: VPF&R to add the possible reclassification of FE Colleges from the private to the public sector to the risk register</p> <p>Action: VPF&R - ONS review of classification of FE Colleges to be the subject of the next Committee deep dive</p>
13.	<p>Review of Policies</p> <p>i Whistleblowing Policy</p> <p>The Committee approved the amendments to the Whistleblowing Policy</p> <p>ii Risk Management Policy</p>

	<p>It was agreed that this policy would be presented to the Board for approval rather than being approved by the Audit Committee, so that Governors were fully aware of their responsibilities and the statements on risk appetite, which now included a section on cyber security.</p> <p>The Committee recommended the amendments to the Risk Management Policy to the Board for approval</p>
14.	<p>Annual Review of Committee Terms of Reference</p> <p>The Committee recommended the proposed amendments to the terms of reference to the Board for approval, subject to clarifying that it was the Chair of the Governing Body, rather than the Chair of the Finance and Resources Committee who could not be appointed as a temporary member of the Audit Committee.</p> <p>Action: DoG to clarify that it was the Chair of the Governing Body, rather than the Chair of the Finance and Resources Committee who could not be appointed as a temporary member of the Audit Committee in the proposed amendments to the Committee terms of reference</p>
15.	<p>Private Discussion – Auditors and the Audit Committee</p> <p>MC and CM from RSM and SB from Buzzacott indicated that there was nothing that they wished to discuss in private with the Committee. Committee members indicated that they had nothing they wished to raise privately with the auditors.</p>
16.	<p>Dates of Future Meetings</p> <p>Thursday 24 November 2022 6.00pm-8.00pm in person at Croydon Campus Thursday 16 March 2023 6.00pm-8.00pm – online Thursday 29 June 2023 6.00pm-8.00pm - online</p>
17.	<p>Other Business</p> <p>The Chair noted that this would be Tom Hesmondhalgh’s last meeting of the Audit Committee and thanked him for his contribution as a member of the Audit Committee over a number of years, as a Governor and then as a co-opted member.</p> <p>The VPF&R noted that this would also be Mike Cheetham’s last Audit Committee meeting, as Clive Makombera would be taking over as the RSM Partner responsible for the College’s internal audit service. The Chair thanked Mike Cheetham for his contribution to the work of the Committee.</p>

Approved as an accurate record by the Audit Committee at its meeting on 24 November 2022

*Clare Mitchell
Director of Governance*