



Audit Committee Minutes

Meeting	Audit Committee	Date	30 th November 2021
Location	Folkestone Executive Boardroom	Time	9.08 am
Membership	Peter Cheney [Chair], Gail Clarke, Allan Ballie		
In Attendance	<p>Chris Legg – Chief Financial Officer Paul Sayers – Chief Strategy Officer Jonathan Creswell – Director of Finance Sharon Hollingworth – Director of Governance Nicole Leader – Minutes Clerk Katherine Patel – Buzzacott item 3-5</p> <p>Business Committee members to join for item 5. Graham Razey – Chief Executive Officer Charles Buchanan – Chair of Full Governing Body Tim Kent – Governor Joanna Worby - Governor Gregg Skinsley-Stephens - Governor</p>		

	ITEM	COMMENTS	ACTION
1	Welcome and apologies	<p>The Chair welcomed everyone to the meeting and thanked Katherine for joining the meeting to present items 3-5.</p> <p>Apologies was received from Sharon Hollingsworth, Director of Governance.</p>	
2	Declaration of Interests	There were no additional declarations to the meeting other than those declared as standing.	

3	<p>Independent Meeting with the External Auditors</p> <p><i>Officers not in attendance</i></p>	<p>Katherine Patel joined the meeting at 9.17am to present items 3-5</p> <p>[CL, PS, JC left the meeting at 9.18am]</p> <p>The Chair reminded members that this item gives Committee members an opportunity to meet with the external auditors independent to the Officers in attendance.</p> <p>The auditors reported that the quality of information and set of accounts was of a good standard and the process was smooth.</p> <p>At the time of issuing the report there were some outstanding items in payroll which remain outstanding, but these were not an issue, nor would they affect the draft report.</p> <p>There were no recommendations made that require an urgent response.</p> <p>The audit was conducted remotely and the plan for the 2021/22 is for the audit to take place on site.</p> <p>KP confirmed that testing around assets was completed, and auditors confirmed that the assets exist.</p> <p>The Governors asked if fees for next year are likely to increase. KP responded that the current fee is feasible and cannot see a significant increase for next year, fees for next year can be provided if the Group wanted to secure this in now.</p> <p>[GC arrived at 9.22am]</p>	
4	<p>Audit Committee Development session</p>	<p>KP advised that confirmation has been received from the ESFA that the funding statements can no longer be relied on as part of the audit.</p> <p>Financial health rationale will change effecting the EBITDA this change will in fact benefit EKC Group.</p>	

5	<p>5.1 Financial Statements & Management report to 31 July 2021</p> <p>5.2 Draft Post Audit Management Letter year ending 31 July 2021</p> <p>5.3 Audit Representations Letter</p> <p>5.4 Sub-contacting Assurance Report</p>	<p>Business Committee Members joined the meeting at 9.30am.</p> <p>[CL, PS, JC re-joined the meeting at 9.33am]</p> <p><u>Financial Statements</u> KP presented the draft financial statements and asked the Committee for comment.</p> <p>It was noted that the Governors had raised several queries via email to CL prior to the meeting, CL confirmed that these had been addressed and the draft statements updated accordingly. There were no further comments.</p> <p><u>Post audit management letter year ending 31 July 2021</u> KP guided Committee members through the Post Management Letter and discussed key points page by page within the document. The following key points were noted:</p> <ul style="list-style-type: none"> - Audit progress was smooth, a clean set of data and a good set of accounts was received. - Any outstanding matters will be actioned at finalisation of the accounts before being presented to the Full Governing Body for approval on the 14 December - Financial health remains Good - Last year's recommendations have been addressed in-year - Funding based income, previously received funding statements, were used to obtain confirmation for the accounts. This can no longer be relied on as a sole source, further audit work on ILR and systems have therefore been carried out and the auditors are happy with the outcome - Audit observation and recommendations have been provided in the report. Management responses have now been received. Updated report will be provided for the FGB approval - The auditors thanked the Finance team for their support during the audit making it an efficient process. <p><u>Letter of representation</u> KP presented the letter of representation and highlighted areas within the report that are required to remain, the letter will be finalised and re-issued.</p>	
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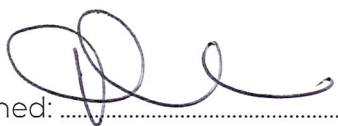
		<p><u>Sub-contracting assurance report</u></p> <ul style="list-style-type: none"> - Report required by ESFA at Audit. No concerns reported. <p>[KP left the meeting at 9.52am]</p> <p>Members of the Audit Committee and the Business Committee would like to thank JC and the team for their hard work and support in the production of the accounts and support during the audit.</p> <p>AGREED: The Audit Committee recommend that the Financial Statements and Management Reports for 2020-21 be approved and signed by the Chair of the Governing Body and the Chief Accounting Officer.</p> <p>AGREED: The Audit Committee recommend that the Audit Representation Letter be signed by the Chair of the Governing Body and the Chief Accounting Officer.</p>	
6	Minutes of the meeting held 15 June 2021	<p>The minutes of the Audit Committee meeting held on 15th June 2021 were reviewed by the members and approved as a true and fair account.</p> <p>The minutes and confidential minutes will be signed by the Chair following the meeting.</p>	
7	Matters Arising not covered by this agenda:	There were no matters arising	
8	Terms of Reference for the Committee	<p>The Committee reviewed the Audit Committee Terms of Reference and were comfortable to agree these.</p> <p>AGREED: Terms of Reference for the Audit Committee</p>	
9	9.1 Risk, Audit and Compliance Committee Report	CL presented the minutes of the Risk, Audit and Compliance Committee meeting and reminded the Committee that they are presented in full to offer assurance that matters raised at Audit Committee are discussed by the management committee. The three main items of the meeting	

		<p>are audit-related matters, health and safety and risk and these are rotated within the agenda to allow a greater focus at specific meetings.</p> <p>Head of internal audit focuses on a 3-year cycle of work. Processes of these audits were explained and the reporting from these audits are reviewed and monitored through the Risk, Audit and Compliance Committee.</p> <p>A Governor asked how you measure the reputation of the College. PS responded that there are two ways of doing this, one is Strategic reputation, and this is done by working with authorities and stakeholders and the second is a transactional survey with employers and students. Other direct evidence is secured funding and the number of enrolments.</p> <p>NOTED: The Audit Committee noted the work of the RAC Committee</p>	
10	<p><u>10.1 Annual Audit Report by Chair including agreement to signoff Regularity Self-Assessment Questionnaire by Accounting Officer and Chair of Governors</u></p> <p><u>10.1 Appendix 1 – Audit Committee Self-Assessment Evaluation</u></p> <p><u>10.2 Appendix 2 - Regularity Self-Assessment Questionnaire</u></p>	<p>The Chair presented the Annual Audit Report on behalf of SH which summarises the work of the Audit Committee and offers assurance to the FGB that the Committee is meeting its responsibilities.</p> <ul style="list-style-type: none"> - The Committee discussed the vacant position on the Audit Committee. The Chair confirmed that a Governor has been approached to join. - The Committee noted that the name of the Internal Auditors is no longer Wilkins Kennedy and should be changed to Azets. <p>AGREED: The Committee approved the Annual Audit Committee Report for 2020-21 to be presented to the Full Governing Body on 14 December.</p> <p>The regularity self-assessment questionnaire is provided by the external auditors, Buzzacott. It is completed by management and submitted annually by way of the Year End and Regularity Audit Process.</p> <p>The Committee reviewed the detail within the questionnaire. There were no questions raised.</p>	

		APPROVED: Governors approved the Regularity self-assessment questionnaire for signature by the Chief Executive Officer and the Chair of the Governing Body.	
11	<u>11.1 Risk Management Report</u> <u>11.2 Risk Register</u> <u>11.3 Residual Risk Movement map</u>	<p>PS presented the Risk Management Report and noted that the register has had a significant update in the last RAC committee. These updates have been highlighted within the report.</p> <p>The scores have been reviewed but the risk has not changed so the scores remained the same.</p> <p>NOTED: Governors noted the Risk Management Report</p>	
12	<u>Policy Update:</u> <u>Subcontracting</u> <u>Treasury Management</u>	<p>PS presented the following policies and advised the Committee that they had been reviewed by the Policy Committee and the RAC Committee.</p> <p>Subcontracting Policy Minor updates to job titles and operational details, and to ensure alignment with the ESFA's latest subcontracting requirements</p> <p>Treasury Management A new section has been added regarding green investments to align with the Group's sustainability Strategy</p> <p>AGREED: The Committee recommended the policies for FGB approval on 14th December 2021.</p>	
13	<u>Financial Regulations update</u>	<p>CL presented the updated version of the Financial Regulations and guided members through the changes:</p> <p>Changes to contract authorisation and signing. This sets out new delegated authority for the approval of new business-to-business contractual arrangements. Final signing of contracts will still require the signature of the Chief Executive Officer.</p>	

		Employment of staff, new section to set out the delegated authority for the recruitment of staff. AGREED: The Committee recommend the Financial Regulations for FGB approval on 14th December 2021	
14	<u>Governing Body Internal Audit Plan 2021/2022 update</u>	CL informed the Committee that the Risk, Audit and Compliance Committee and the Executive Team have both reviewed the internal audit plan for 2021-22 and recommend the following updates: The Committee recommends that the plan be re-named: Governing Body Audit Plan so not to get confused with the Head of Internal Audits 3-year cycle. Delay the review of the Group's preparedness to deal with a Cyber-attack until the Spring in view of some recent internal changes. AGREED – Governors agreed the updated Internal Audit Plan for 2021-2022	
15	Any Other Business	The Committee recommended that the Full Governing Body acknowledges the hard work of the Finance team on the year-end audit.	
16	Matters Considered Confidential	Draft Financial Statements Item 3-5 - time limited until published [January 31st, 2022]	
17	Date and time of next meeting	Tuesday, 15 March 2022 at 9.00am. The meeting will be at Canterbury College	

There being no further business the meeting closed at 10.45

Signed: 

Print: F. P. CHENEY

Date: 15/3/2022