



Audit Committee Minutes

Meeting	Audit Committee	Date	28 June 2022
Location	Canterbury College – Room J202	Time	9.00am
Membership	Peter Cheney [Chair], Gail Clarke, Allan Ballie,		
In Attendance	Chris Legg – Chief Financial officer Paul Sayers – Chief Strategy Officer Sharon Hollingsworth – Director of Governance Jonathan Cresswell – Director of Finance and Business Nicole Leader – Executive Support Officer [Minutes Clerk]		
	Stone King [item 6] Buzzacott [item 7]		

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies for Absence	<p>The Chair welcomed everyone to the meeting.</p> <p>Apologies received from Sharon Hollingsworth. Allan Ballie was not in attendance with no apologies received.</p>	
2	Declarations of Interest	There were no additional declarations to the meeting other than those declared as standing.	
3	Minutes of the meeting held 15 March 2022	The minutes of the Audit Committee meeting held on 15 March 2022 were reviewed by the Committee and approved as a true and fair account. The Chair signed the minutes following the meeting.	
4	Matters Arising not covered by this agenda:	<p>Arrangements for Group Insurance</p> <p>CL advised that the meeting had been delayed with AJG to the 6 July 2022. Verbal update will be given at Full Governing Body on the 12 July 2022.</p> <p>Finance staff acknowledgments</p>	CL

		- SH to write to the finance team thanking them on behalf of the Governing body and EKC Group for their hard work and support in the production of the accounts and the support during the audit.	SH
External Items			
5	Follow up Exam Registration Audit	<p>The follow up audit is still in progress and no report was available to present to the Committee at this point. Timing of the review was affected as College Services staff were focusing on exams and unable to focus on assisting the auditors and providing the information required.</p> <p>The report is expected to cover the development and progress of the exams module in Pro-Solution and the roadmap to rolling this out to all Colleges and Business units to provide consistency across the Group.</p> <p>Azets to present the report at the next Audit Committee on 29 November 2022.</p>	Agenda
6	Review of the Agreements between EKC Group and EKC Schools Trust	<p>Tom Morrison [TM] & Julian Blake [JB] from Stone King joined the meeting at 9.30am</p> <p>Stone King was engaged to review the existing agreements between EKC Group and EKC Schools Trust. The report provided in the papers outlines recommendations to improve documentation that is currently in place.</p> <p>Stone King led the Committee through the findings from their review emphasising that the current agreements could raise questions from the ESFA regarding the relationship between the Group and the Schools Trust. This is particularly the case as the current documentation is drafted based on a more commercial relationship, rather than for public benefit.</p> <p>The primary recommendation from Stone King is that the existing legal agreements could be replaced by a more refined, more comprehensive Master Collaboration Agreement which would more explicitly emphasise the independence of both institutions and the additional public benefits to be realised by working in partnership through shared Leadership, Governance, Strategy and Operations.</p> <p>TM & JB were thanked for their time and left the meeting at 9.50am</p> <p>The Committee noted that there is significant upcoming change in the sector with a new Education Bill currently being passed through Government and that documentation should be reviewed when this White Paper is published.</p>	

		<p>PS advised that the ESFA/DfE approved the documentation at the time of the creation of the MAT.</p> <p>The Committee noted the recommendations of the report and felt that no immediate changes were to be made. The Committee agreed that the report to be shared with the Trustees of EKC Schools Trust and a review of the report to be carried out next year.</p> <p style="text-align: center;">NOTED: Review of the Agreements between EKC Group and EKC Schools Trust</p>	PS
7	Financial Statements Audit Strategy	<p>[Katherine Patel joined the meeting at 9.53]</p> <p>KP led the Committee through the External Audit Strategy and timetable for 2022, the scope of work as laid out within the report and highlighted the following key points:</p> <ul style="list-style-type: none"> - Very few amendments to the framework and changes to the audit code of practice - Subsidiary companies will change the format of the statements as these will be presented separately in the accounts. - No change in the Regularity Audit from last year. - Income recognition remains the same framework as last year. - Fee proposal includes an increase as it recognises the growth in the Group and the additional accounts for the subsidiary companies. - Key changes in the Audit code of practice are laid out on page 16 of the document. <p>Buzzacott confirmed that the subsidiary company accounts do need to be reported to the ESFA.</p> <p>Auditors confirmed that there are no immediate issues with the auditing of the subsidiaries but will look at the expenditure between the Group and these companies.</p> <p>Audit fieldwork will take place on-site this year.</p> <p>Details of the timetable for the core work are included in report, filing deadline for accounts is 31st December 2022</p> <p>[KP Left the meeting at 10.03]</p>	

		NOTED: The Financial statements audit strategy	
Internal items			
8	Risk, Audit and Compliance Committee Report	<p>CL reminded members that the minutes of the internal Risk, Audit and Compliance (RAC) meeting are presented in full to offer assurance that matters raised at Audit Committee are discussed by management. The three main items of the meeting are audit-related matters, health and safety and risk management. These are rotated within the agenda to allow a greater focus at specific meetings.</p> <p>CL highlighted the following key matters arising from the RAC Committee meetings:</p> <ul style="list-style-type: none"> - Engineering inspection insurance was discussed at the most recent RAC and the recommendation of the Committee was that this insurance was not needed as this is more a service than insurance. Assurance was given that systems and controls are in place internally - The work of the Internal Audit Officer is presented at each meeting, the recent focus was on the 16-19 tuition fund. - Outstanding log of audit recommendations is reviewed at each meeting and the Committee discuss/agree if the recommendation has been completed or needs to be carried over. - Health and Safety report is received at each meeting which details the inspection schedule progress incidents/accidents across all sites and highlights issues across the Group. - An accident at the Yarrow Hotel resulted in a RIDDOR incident which may result in an insurance claim. The Hotel is now investigating an alternative method/entrance for disabled access. - Staff absence is monitored by the RAC committee. Governors discussed the number of vacancies across the group which could be related to stress related absence. <p>NOTED: The Risk, Audit and Compliance Committee Report</p>	
9	Financial Regulations	<p>CL advised that the annual review of the Financial Regulations had been carried out. The Regulations have been reviewed by the Policy committee. Essentially there are no changes to the content, just minor presentational and cosmetic changes.</p> <p>The Committee agreed that a note be included in the Audit Committee annual report to say that an annual review had taken place and there were no substantial changes.</p> <p>RECOMMEND: The Financial Regulations to the Full Governing Body for approval</p>	

10	Risk Management Report	<p>PS presented the Risk Management Report and the Risk Register and explained that a thorough review of the Group's key risks, scoring of each risk, and assurance and controls had been undertaken to ensure they reflect the current position and mitigating actions.</p> <p>The Committee discussed the updates within the Register. Governors were satisfied with the updated position across each risk and were comfortable to agree the changes.</p> <p style="text-align: center;">NOTED: The Risk Management Report</p>	
11	Policy Report:	<p>PS presented the Policy Report to the Committee explaining the following:</p> <p><u>Whistleblowing Policy</u></p> <ul style="list-style-type: none"> - There have been minor changes to the format of the Policy. - The Policy requires final approval from the FGB. - The Policy has been updated to reflect how we evidence that the disclosure is both relevant and qualifying and is in the public interest in line with case law. - The procedure of a potential whistleblowing case was explained and clarification was given around the protection of the whistle-blower <p><u>Health, Safety and Welfare</u></p> <ul style="list-style-type: none"> - Amendments to the policy are minor structure changes. - Student social action activities added to the policy - The Policy requires final approval from the FGB. <p>The Committee were comfortable with the presented Policies.</p> <p style="text-align: center;">RECOMMEND: The above policies to the Full Governing Body for approval</p>	
12	Governing Body Audit Plan 2021-22 update	<p>CL presented the updated Internal audit plan 2021/22 for information and assured the Committee that the work for 2021/22 had been completed.</p> <ul style="list-style-type: none"> - Due to the underspend in the Internal Audit budget this year and previous years it was recommended that the remaining budget is transferred to cover the increased fees for the Financial Statements audit for 2021/22. 	

		<p>NOTED: The Internal Audit Plan 2021/22</p>	
13	Draft Internal Audit Plan 2022-2023	<p>The draft Internal Audit plan for 2022/23 was presented and the Committee discussed the detail behind the proposed identified areas for review to provide the governors with a more in-depth understanding.</p> <p>An external Governance review is proposed, this is a new regulatory requirement and must take place every three years. This will be reported at the second Audit Committee of 2022/23. Appointment to be confirmed at first Audit meeting in 2022/23.</p> <p>The Committee agreed that the remaining budget and further work to be commissioned be reviewed at the first audit committee of 2022/23.</p> <p>RECOMMEND – The Internal Audit Plan 2022/23 to the Full Governing Body for approval</p>	
14	Performance Review of: Internal Auditors External auditors	<p>The Committee was presented with the results from the recent performance review evaluation of the Internal and External Auditor services. Members reviewed the list of performance indicators for both services and the result of the assessment against each. Overall, the findings for both services were positive, there were no concerns raised and the Committee were comfortable re-appointing both firms for 2022-23.</p> <p>RESOLVED: The summary result from each evaluation to be included in the Committee's Annual Report to the Full Governing Body in December 2022</p>	
15	Audit Self-Assessment 2021-2022	<p>The Committee was presented with the results from the recent Audit Committee Self-Assessment.</p> <p>The results from the Audit Self-Assessment exercise were discussed. There were no significant areas of concern.</p> <p>The Committee concluded that overall, the effectiveness of the Committee in fulfilling its terms of reference has been good.</p> <p>It was noted that Q24 within the self-assessment document should be noted as N/A as this has not been tested.</p> <p>RESOLVED: The summary results from the self-assessment to be included in the Committee's</p>	



Annual Report to the Full Governing Body in December 2022			
16	Any Other Business	No other business	
17	Matters Considered Confidential	No matters considered confidential	
18	Date and time of next meeting –	29 November 2022	

There being no further business the meeting closed at 10.53am.

Signed:

Print: Peter Cheney

Date: 29 November 2022