



Audit Committee Minutes

Meeting	Audit Committee	Date	14 March 2023
Location	Broadstairs College	Time	9.30 am
Membership	Peter Cheney [Chair], Sam Lain-Rose (SLR), Allan Baillie (AB), Carmel Togher (CT)		
In Attendance	Chris Legg (CL) – Chief Financial Officer Sharon Hollingworth (SH) – Director of Governance Fiona Medeiros (FM) – Minutes Clerk		

	ITEM	COMMENTS	ACTION
1	Welcome and apologies	<p>The Chair welcomed everyone to the meeting.</p> <p>Apologies were received from Paul Sayers, Chief Strategy Officer.</p> <p>The Committee formally congratulated all EKC Group staff following the Ofsted inspection, with special mention for the senior leadership team.</p>	
2	Declaration of Interests	There were no additional declarations of interests other than those declared as standing.	
3	Minutes of the meeting held on 29 November 2022	<p>The minutes and confidential minutes of the Audit Committee meeting held on 29th November 2022 were reviewed by Committee members and approved as a true and fair account of the meeting.</p> <p>The minutes and confidential minutes were duly signed by the Chair.</p> <p style="text-align: center;">AGREED: confidential minutes to be combined with the full minutes and published.</p>	SH

4	Matters arising, not covered by this agenda	SH noted that updates to the Terms of Reference for the Audit Committee agreed on 29 November, were approved by the Search and Governance Committee and will be presented to the Full Governing Board in March for sign-off.	
5	Re-procurement of Group Insurance arrangements 2023-24	<p>CL presented his paper regarding procurement of insurance. Competing draft proposals from FE Protect and UMAL were discussed thoroughly and the following noted:</p> <ul style="list-style-type: none"> • FE Protect is underwritten by Aviva whereas UMAL is mutual. • Policies are similarly comprehensive. • UMAL does not have averaging structures. • Both are annual rolling policies. • Cyber insurance is included in both quotes. • Due diligence has been undertaken by researching both companies. • UMAL work with other colleges, however it was unclear how long they have operated. • UMAL will need to requote and FE Protect are awaiting final details from Zurich before they can confirm their quote. <p>Committee members expressed a preference for FE Protect because it benefitted from more secure backing through Aviva.</p> <p>RECOMMENDATION: The Audit Committee confirmed that they are comfortable the risks are covered by both insurers, recommending to proceed, subject to final quote.</p> <p>AGREED: Add item to the Full Governing Board agenda on 28th March, papers to be shared by 22nd March.</p>	SH/CL
6	Risk Management Report Risk Register	<p>The Risk Register was last reviewed by the Committee in November 2022. CL drew attention to the impact of ONS reclassification and the following points were discussed and noted:</p> <ul style="list-style-type: none"> • There will be an increase in required consents from the DfE, including lending. • This will be a reversal of the pre-existing business model, progressing and improving the estate through medium- and long-term borrowing. • The Group has been allocated £1.5million by the DfE to help offset ONS impact. 	

	Residual Risk Movement map	<ul style="list-style-type: none"> • Borrowing following reclassification remains to be clarified, noted it may involve approach to DfE which will impact autonomy, as we expect it to become criteria and process led. • We have extended our current loan with Santander. • The Business Committee will be looking at the ONS reclassification impact on borrowings and cash flow. <p>The Chair sought clarification regarding the internal review of the Risk Register given that the Risk, Audit and Compliance Committee has been removed from the internal meeting structure. CL assured Governors that a comprehensive review of the Register had been undertaken, and the risk and assurances and controls have been updated accordingly. The Risk Register is presented to Group Leadership Board termly and was previously considered on 16 January 2023.</p> <p>NOTED: Risk Management Report</p>	
7	Financial Regulations update	<p>CL drew Governor’s attention to revisions as noted in the document.</p> <p>A Governor referred to the storage of documents on page one, it was noted that we no longer accept cheques, this statement therefore is not needed in the document.</p> <p>The Chair asked for clarification regarding VAT claims and returns. CL explained that the Group completes quarterly VAT claims and annual returns. CL to consider making this point clearer in the document.</p> <p>CL confirmed that the Group is not fully cashless as teaching is delivered around the handling of money to supported learning students, which forms part of their curriculum.</p> <p>Updates to authorisation limits were also noted.</p> <p>RECOMMEND: The updated Financial Regulations to the Full Governing on 28 March, subject to the above minor changes.</p>	<p>CL</p> <p>CL</p> <p>SH</p>

8	<p>Governing Body Audit Plan 2022-23 update to include:</p> <p>proposed cost for a review of the Group's resilience regarding prevention of fraud</p>	<p>The proposed review of the Group's resilience regarding prevention of fraud was presented by CL and discussed.</p> <p>The purpose of the review is to provide assurance to Governors as to what extent the controls and processes used by the Group to prevent and detect fraud are fit for purpose and reduce and manage key fraud risks down to acceptable levels. The review will focus on the central management arrangements in place on the purchase ledger function, income, supplier set-up, payroll and training.</p> <p>CL confirmed that the proposal was thorough and within budget. The Chair noted that the Committee had not met the proposed Azets audit team mentioned in the paper. CL advised that Christiaan had transferred the task to the team leading on fraud control.</p> <p>The timetable and cost for the review was noted, the Audit Partner and/or Audit Manager would be invited to the next meeting to present their findings.</p> <p>AGREED: To commission Azets to support us with the Fraud Control Review of the Groups Financial System</p>	<p>SH</p> <p>CL</p>
9	<p>Audit Self-Assessment Report 2022-23</p>	<p>SH presented the draft Audit Committee self-assessment questionnaire, advising that Committee members would need to complete it individually in April. The results will be reported to the Committee at their meeting in June and subsequently, a summary of the results will form an appendix to the Annual Report of the Audit Committee to the Governing Body in December.</p> <p>SH will be in touch nearer the time and available to answer any questions.</p> <p>AGREED: The Audit Committee self-assessment evaluation questionnaire 2022-23</p>	
10	<p>Review performance of internal and</p>	<p>SH presented the proposed process in assessing the performance of the internal and the external auditor services.</p>	



	external auditors services	The outcome from the review will feed into the Audit Committee's annual report to the Governing Body. No comments were made. AGREED: To evaluate the Internal and the External Auditors Services against the presented evaluation KPIs	
11	Any Other Business	None	
12	Matters Considered Confidential	None	
13	Date and time of next meeting	Date and time of next meeting: Tuesday, 27 June 2023 at 10:00am, at Broadstairs College.	

There being no further business the meeting closed at 11:00am.

Signed: 

Print: F.P. CHENET

Date: 27/6/2023