



Audit Committee minutes

Meeting	Audit Committee	Date	15 th June 2021
Location	Virtual via Teams	Time	9am
Membership	Peter Cheney (Chair), Gail Clark, Allan Baillie		
In Attendance	Chris Legg (CL) – Chief Financial officer Paul Sayers (PS) – Chief Strategy Officer Andrew Stevens (AS) – Chief Operating Officer Jonathan Cresswell (JC) – Director of Finance and Business Improvement Sharon Hollingsworth (SH) – Director of Governance		
External attendance	Christiaan De Lange [Azets] – Item 5 Katherine Patel [Buzzacott] – Items 6 & 7		
Minutes Clerk	Nicole Leader – Executive Support Officer		

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies	The Chair welcomed everyone to the meeting and advised that representatives from Azets and Buzzacott will be joining the meeting to present items 5, 6 & 7 respectively. [Alan Baillie joined the meeting at 9.19am due to technical difficulties]	
2	Declarations of Interest	There were no additional declarations to the meeting other than those already declared as standing.	
3	Minutes of the Meeting	The Minutes of the Audit Committee meeting held on 16 March 2021 including confidential minutes were reviewed by the Committee and approved as a true and accurate account. The minutes will be e-signed by the Chair following the meeting.	
4	Matters Arising	<i>This item was considered confidential and will form Confidential Minutes Part A.</i>	

External Items		
5	Financial Management and Controls Audit	<p>[Christiaan De Lange joined the meeting at 9.10am]</p> <p>The Internal Audit took place in February 2021 the scope of the review included the following items:</p> <ul style="list-style-type: none"> - Bank reconciliations - Yarrow accounts leading up to December 2020, making sure bank reconciliations are prepared in accordance to the Financial Regulations - Unreconciled items - Group risk register to compare against the Charities Commission Guidelines. - Obtain confirmation that formal policies are in place to mitigate risk. - Management accounts leading up to December 2020 was reviewed against financial regulations and the circulation to the Governing Body - Purchase and sales testing from August – December 2020 <p>Overall positive findings and no areas of concern.</p> <p>A Governor noted that it is was pleasing to read that the positive report and requested that the team be congratulated on the work that has been carried out in improving the issues from previous years audits.</p> <p>A Governor commented on the Exams Registration work that has happened. JC commented that work is on-going and as part of this they are working on the 2021-22 course file and improvements in communication between pro-solution and Open Accounts.</p> <p>The Committee noted that the £325K payment received from the British Council in October that remained in the unreconciled items was the Erasmus payment and was paid in Euros and then converted across. This has now been reconciled.</p> <p>The Chair thanked Azets for their work and report.</p> <p style="text-align: center;">NOTED: The Financial Management and Controls Audit Report</p> <p>[Christiaan De Lange left the meeting at 9.29am]</p>

<p>6</p>	<p>Financial statements audit strategy</p>	<p>[Katherine Patel joined the meeting at 9.37am]</p> <p>KP led the Committee through the External Audit Strategy and timetable for 2021, the scope of work as laid out within the report and highlighted the following key points:</p> <ul style="list-style-type: none"> - There are a small number of clarifications and updates from the ESFA accounts direction which are laid out in the strategy on page 4. - The ESFA intends to publish the updated supplementary bulletin relating to issues arising from the COVID-19 pandemic. - Update to the auditing standards will now require additional reporting for auditors to provide a clear, positive conclusion on whether management’s assessment of going concern is appropriate. - Enhanced scrutiny required of the Auditing Accounting Estimates. - Required to be more transparent on fraud and regularity. - The ESFA has confirmed that that auditors are no longer able to place reliance on the final funding reconciliation statement to verify the accuracy of income claims made in the year. <p>A Governor asked why the ESFA funding reconciliation is no longer sufficient. KP replied that this has come from the ESFA’s monitoring body that this should not have been included in the statement in the first place and is now not included in the audit code of practice.</p> <p>Appendix 1 details the timetable, filing deadline for accounts is 31st December 2021.</p> <p>The Committee noted that the changes to the positive statement on going concern is a step in the right direction.</p> <p>A Governor commented on the ethical point of the long association between Buzzacott and EKC Group and if this maybe a risk. Buzzacott confirmed that an external review of work is in place and they conduct a quality review undertaken with EKC Group Officers and offered to send through further details if required.</p>	
-----------------	---	---	--

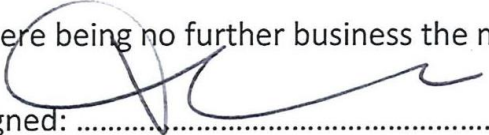
		<p>There were no further questions.</p> <p>NOTED: The Financial statements audit strategy</p>	
7	<p>Post-16 Audit Code of Practice 2021</p>	<p>KP presented the Post-16 Audit Code of Practice 2021 document and talked about the changes in comparison to the previous year's Code. The main point to highlight from this document is the removal of the statement on using the final ESFA reconciliation to verify income.</p> <p>KP offered to circulate a comparison document following the meeting which clearly details the changes in the Post 16 Audit Code of Practice 2020-2021 in comparison to the previous year. KP would be happy to answer any questions following circulation.</p> <p>NOTED: The changes to the Post-16 Audit code of Practice 2021</p> <p>On behalf of the Committee the Chair thanked KP for her attendance and for her useful reports.</p> <p>[Katherine Patel left the meeting at 10.07am]</p>	<p>SH</p>
8	<p>Risk, Audit and Compliance Committee Report inc. Outstanding Actions from the Internal Audit Plan</p>	<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.</p> <p>The Group Internal Audit Officer presented several reports at the last RAC Committee meeting. The outstanding recommendations will be added to the Log of Outstanding Audit Recommendations and reviewed as part of the RAC Committees work moving forward.</p> <p>CL informed the Committee that the Risk Register was reviewed in detail at the meeting and recommendations made by the Committee are proposed in the Risk Management Report.</p> <p>The RAC Committee receives the Health & Safety update report on activity within the Group at each RAC Committee meeting and discuss the actions being taken where there are areas of concern.</p>	

		<p>In terms of the Exams Registration Audit, JC updated the Committee advising that seven letters had been sent to awarding bodies and one has shown engagement. JC is working with them to agree a way forward.</p> <p>NOTED: The Risk, Audit and Compliance Committee Report.</p>	
9	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, the scoring of each risk, and assurance and controls had been undertaken to ensure they reflect the current position and future actions.</p> <p><i>FAR Academy - This item was considered confidential and will form Confidential Minutes Part A.</i></p> <p>The Committee recommended adding further information in the Register under assurance and controls regarding the steps being taken to ensure the smooth introduction and delivery of T-levels.</p> <p>The Chair invited members to comment further. There were no further comments and the Committee agreed that they were satisfied with the actions being taken to control and mitigate risks.</p> <p>NOTED: The Risk Management Report</p>	PS
10	Internal Audit Plan Update 2020/2021	<p>AS presented the updated Internal audit plan 2020/21 for information and to assure the Committee that the work for 2020/2021 had been completed.</p> <p>NOTED: The Internal Audit Plan 2020/21</p>	
11	Internal Audit Plan Update 2021/2022	<p>AS presented the 2021/22 Internal Audit Plan and went into detail behind the proposed cluster of identified areas for review to provide the Committee with a more in-depth understanding.</p> <p>A Governor asked if the internal auditors have the sufficient expertise to carry out the Cyber-attack review. AS confirmed that they have not yet contacted Azets to discuss. SH mentioned that our insurers may be able to support the Group with the review.</p> <p>AS asked the Committee for suggestions of any other areas for review prior to Full Governing Body approval. There</p>	

		were no further comments and the Chair thanked AS for the report. RECOMMEND – The Internal Audit Plan 2021/2022 to the Full Governing Body for approval	
12	Performance review of Internal and External Auditor Services	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 2021-2022. RESOLVED: The summary result from each evaluation to be included in the Committee’s Annual Report to the Full Governing Body in December.	
13	Audit Committee Self-Assessment 2020-2021	The Committee was presented with the results from the recent Audit Committee Self-Assessment. The results from the Audit Self-Assessment exercise were discussed. There were no significant areas of concern. The Committee concluded that overall, the effectiveness of the Committee in fulfilling its terms of reference has been good. RESOLVED: A summary of the results to be included in the Committee’s Annual Report to the Full Governing Body in December.	
14	Any other Business	A Governor discussed the continuation of online meetings and asked the Committee for their view on whether to continue with online or move to face-to-face meetings. The Committee recommends that a mixture of online and face-to-face meetings would be ideal.	
15	Matters Considered Confidential	Item 4 – Matters Arising Item 9 – Reference to the FAR Academy	
16	Date and time of next meeting	Tuesday, 30 th November 2021 at 9.00am	



There being no further business the meeting closed at 10.44am

Signed: 

Print: F. P. CHENEY

Date: 30/11/2021