

## Audit Committee Minutes

Meeting	Audit Committee	Date	4 <sup>th</sup> March 2025
Location	Folkestone Executive Board Room	Time	9.30 am
Membership	Peter Cheney [Chair], Carmel Togher, Jason Howard		
In Attendance	Chris Legg (CL) – Chief Financial Officer Paul Sayers (PS) – Chief Information and Strategy Officer Lucy McLeod (LM) – Deputy Chief Executive Officer Sharon Hollingworth (SH) – Group Director of Governance Jack Collison (JC) – Group Director of Corporate Services Claire Banks (CB) – Minutes Clerk Christian De Lange (CDL) – Azets, Item 5		

	ITEM	COMMENTS	ACTION
1	Welcome and apologies	The Chair welcomed everyone to the meeting and introduced Claire Banks as the new Governance Officer, joining the Audit Committee for the first time. Jason Howard joined the meeting on Teams.	
2	Declaration of Interests	There were no additional declarations to the meeting other than those declared as standing.	
3	Minutes of the meeting held on 26 November 2024 including confidential minutes	<p>The minutes of the Audit Committee meeting held on 26<sup>th</sup> November 2024 were reviewed by Committee members.</p> <p>The Committee approved the minutes as a true and fair account of the meeting. The minutes and confidential minutes will be signed by the Chair following the meeting.</p> <p>The Chair confirmed the confidential minutes could now be published; however, the Chief Financial Officer noted the minuted item on the Cyber Essentials creation should remain confidential as a risk precaution.</p>	JC

4	Matters Arising not covered by this agenda:	<p><u>Item 8: VAT Partial Reclaim position update</u></p> <p>The Chair queried whether the VAT claim has progressed, and the money reimbursed.</p> <p>The Chief Financial Officer provided an update explaining that the Group had been expecting a response from HMRC on 14<sup>th</sup> February to confirm the new methodology developed by the Group and Azets. This confirmation is still pending, and the Group await the reclamation of monies.</p>	
5	Financial Management and controls Audit Report	<p>Christian De Lange joined the meeting at 09:39</p> <p>The Chair welcomed Chistian De Lange (CDL) to the meeting to present the Financial Management and Controls Report. and the following was noted:</p> <ul style="list-style-type: none"> <li>• EKC Group has adequate and effective management, control and governance processes in the areas examined.</li> <li>• There are no areas of significant weakness in the internal controls in operation for the processes reviewed.</li> </ul> <p>CDL confirmed the specific focus of this review was to look at bank reconciliation, the tendering process and procurement.</p> <p><u>Bank Reconciliation</u></p> <ul style="list-style-type: none"> <li>• It was noted that the monthly reconciliation process was satisfactory. However, there were no reconciliations in August. August and September had been prepared together, and an authorisation email could not be found for these months. It was suggested this may have been due to staff changes in the Team as all other months have been correctly processed.</li> </ul> <p><u>Tenders</u></p> <ul style="list-style-type: none"> <li>• The review looked at the PC and laptop renewal across the Group, the digital space renovation in Margate and the building extension at Sheppey.</li> </ul>	

		<p>It was noted that it had not been possible to obtain the minimum number of tenders for the PC and laptop renewal scheme, as per the policy.</p> <p>The Chair queried how the Group proceed when tenders fall below the minimum number.</p> <p>The Chief Financial Officer explained there is an alternative process available within the procurement framework. The Group can use the Crown Purchasing Consortium (CPC), who have pre-tendered suppliers and created an approved list. The Group would be able to obtain a set of competitive quotes from this list of suppliers.</p> <p>There remain circumstances where suppliers are not willing to submit tenders or quotes, particularly for large construction projects. In this situation the Group would evidence the intention of both obtaining value for money and having sourced suppliers from the local community.</p> <p>CDL suggested that for audit purposes it would be useful to create a secure central repository of tender documents the Group Director of Corporate Services will report back to the Group Head of Finance.</p> <p><u>Procurement</u></p> <ul style="list-style-type: none"> <li>• CDL confirmed a sample of 12 transactions were reviewed. All elements of the procurement process were accurately accounted except for the omission of a purchase order authorisation from a Yarrow Hotel transaction. It was suggested that this may have been treated as an internal transfer rather than a purchase order.</li> <li>• Bank debit notes for credits received were checked and had been correctly processed.</li> </ul> <p>CDL concluded by reporting there were no concerns raised from the review.</p> <p>The Chair asked Members for any questions but nothing further was raised.</p> <p>The Chief Financial Officer commented that he will formally respond to the report in due course.</p>	JC
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		<p><b>Noted: Financial Management and Controls Audit Report</b></p> <p>The Chair thanked Christian De Lange and he left the meeting at 09:54</p>	
6	<p>Arrangements in place to promote economy, efficiency and effectiveness (value for money)</p>	<p>The Chief Financial Officer (CFO) gave a presentation on arrangements in place to promote economy, efficiency and effectiveness. The following was noted:</p> <ul style="list-style-type: none"> <li>• The CFO explained all budget holders are governed by the financial regulations and have a £2000 purchasing threshold. For purchases above this threshold, a second authorisation is required.</li> <li>• Each college is assigned a Finance Business partner to provide advice and guidance and have an online Power Bi tool which accesses the Group's procurement list of local suppliers.</li> <li>• The Group provides an internal benchmarking service and can offer specific guidance to budget holders using procurement data from other EKC Colleges.</li> <li>• Purchasing from Amazon has increased by 40% this year. The CFO acknowledged Amazon is a global supplier, however budget holders are often selecting value for money and convenience where smaller purchases are required.</li> </ul> <p>Governors queried whether Amazon are used to purchase large quantities of items.</p> <p>The CFO confirmed that is not the case. Bulk items, for example construction supplies, are sourced from local suppliers.</p> <p>Governors asked if purchase orders are raised for Amazon orders.</p> <p>The CFO confirmed purchase orders are mandatory for all types of order. The CFO commented that purchases through Amazon create a significant number of additional invoices for the Finance Team to process.</p> <p>The Chair noted that the benefit of convenience and value for money may be outweighed by the additional implication of processing costs.</p> <p>The CFO commented most budget holders have adequate storage facilities to be able to order in quantity, two or three times a year and are encouraged to do so.</p>	

		<p>The Chair queried if the Group are able to demonstrate value for money has been achieved.</p> <p>The CFO confirmed this is the case and is confident in the effectiveness of the procurement system to ensure value for money.</p> <p>Members noted that centralising Group Estates Services through the planned maintenance schedule has been a cost benefit.</p> <p>The CFO explained that Group Estate Services manage the mandatory works, whilst local Estate Services manage the reactive issues, and this is a significant saving.</p> <p>The CFO reported the Group have a designated energy broker who ensures the Group receive value for money for the cost of utilities.</p> <p style="text-align: center;"><b>NOTED: Arrangements in place to promote economy, efficiency and effectiveness (value for money)</b></p>	
7	Risk, Audit and Compliance Committee Report	<p>The Chief Financial Officer presented the minutes of the Risk, Audit and Compliance Committee (RAC) meeting.</p> <p>The CFO explained the Risk, Audit and Compliance Committee monitor Group activities to ensure statutory compliance. Every third meeting prioritises Risk, Audit or Compliance, and the meeting on 6<sup>th</sup> February prioritised Audit.</p> <p><u>Audit</u></p> <ul style="list-style-type: none"> <li>• Student data activities remain the greatest risk and a strategic priority.</li> <li>• Procedures for employment contracts and payroll operation are being monitored</li> <li>• Implementation of the business partner model for managing information and student data.</li> </ul> <p>The Chief Information and Strategy Officer explained the Management Information and Funding (MIF) business partner model provides workforce development professionals who offer expertise and support to each college. A dashboard is in place which provides reports on key risk areas. The Group Internal Auditor is now able to focus more objectively on strategic priorities rather than</p>	

		<p>providing day-to-day support. This is proving an effective approach.</p> <p><u>Risk</u></p> <ul style="list-style-type: none"> <li>• The CFO noted the complaints process has been added to the terms of reference for the Risk, Audit and Compliance Committee. This will review the Group-wide approach for the processing of complaints. It will also be a useful method for identifying thematic areas. The complaints audits will be discussed at the next meeting.</li> <li>• An update on cyber security was provided, previously discussed at Audit Committee. The CFO noted a new term called 'quishing', where QR codes are used to redirect individuals to malicious websites.</li> </ul> <p><u>Compliance</u></p> <ul style="list-style-type: none"> <li>• The Health and Safety report was satisfactory.</li> <li>• The cyber security update highlighted some actions required, but none that were considered high risk.</li> </ul> <p>The Chair asked if a full Health and Safety Report would be provided. The CFO confirmed the full report will be presented to the Full Governing Body.</p> <p>The Chair commented on a recent view that Epi-pens could be dispensed alongside emergency defibrillators.</p> <p>Members queried what is a 'buccal'. The Group Director of Corporate Services explained it is a substance rubbed into the gums to treat anaphylaxis and requires specific training by a nurse to administer.</p> <p>The Chair thanked the Chief Financial Officer.</p> <p><b>NOTED: Risk, Audit and Compliance Committee Report</b></p>	
8	8.1 Risk Management Report	<p>The Chief Information and Strategy Officer (CISO) presented the Risk Management Report and members were asked to note the risk register and residual risk movement map.</p>	



<p>8.2 Risk Register</p>	<p>The Risk, Audit and Compliance Committee have met twice since the last review of the risk register and have proposed the following amendments:</p> <ul style="list-style-type: none"> <li>• Minor updates to reflect the latest position regarding assurance, controls and group risks</li> <li>• Risks have been reassigned where they relate more closely to an alternative criterion.</li> <li>• It is proposed that the Group's residual risk rating related to financial health is reduced as the group has achieved outstanding financial health.</li> </ul> <p>The CISO noted the risk register will need to be reviewed following the implementation of the new Strategic Plan.</p>
<p>8.3 Residual Risk Movement map</p>	<p>The CISO advised the Group monitor plans for a proposed local government reorganisation, likely to be implemented in 2028. Boundary designations and changes to the commissioning and allocation process of the Adult Skills Fund would need to be added to the risk register.</p> <p>The CFO commented that this risk would be covered under Risk 10 'Government Policy, Regulation and Legal Compliance' and Risk 11 'Business Continuity', which are the responsibility of the Audit Committee as the Governing body committee.</p> <p>The Chair asked Members for questions or feedback relating to the Risk Management Report but none were raised.</p> <p>Governors asked if the Group had engaged with the newly appointed Members of Parliament (MPs).</p> <p>The CISO confirmed the MP for Thanet had attended the Strategic Plan Consultation event and supported National Apprenticeship Week.</p> <p>The Group have also engaged with the Ashford MP, Sittingbourne and Sheppey MP and Dover MP.</p> <p>The Folkestone and Hythe MP has expressed an interest in apprenticeships and in supporting the Group with employer engagement.</p>

		<p>The CISO commented that MPs would be included in the stakeholder plan to support the goals and objectives of the new Strategic Plan.</p> <p><b>AGREED: Governors agreed to all changes made to the risk register</b> <b>NOTED: The Risk Management Report</b></p>	
9	Data Protection Policy	<p>The Chief Information and Strategy Officer presented an update to the Data Protection Policy and noted the following:</p> <ul style="list-style-type: none"> <li>• Further clarity was required for parents and carers regarding EKC Group and employer responsibilities for apprentices. A paragraph has been added to the Data Protection Policy under paragraph 6.1 to cover this.</li> </ul> <p>There are no other updates to the policy.</p> <p>The Chair asked Members for questions or feedback relating to the proposed update to the Data Protection Policy but none were raised.</p> <p><b>APPROVED: Governors approved the Data Protection Policy</b></p>	
10	Governing Body Audit Plan 2024/2025	<p>The Group Director of Governance presented the Governing Body Audit Plan 2024/25, and the following was noted:</p> <ul style="list-style-type: none"> <li>• The Risk, Audit and Compliance Committee have agreed that the Executive Principal (VC-C) and the Chief Information and Strategy Officer (PS) would be the lead sponsors for the examination assurance audit.</li> <li>• The lead sponsors will meet with the external auditors to discuss the scope of the audit and this will be completed before the next Audit Committee meeting.</li> </ul> <p>The CFO noted that Azets have not yet confirmed who the contact will be for the examination assurance audit.</p> <p>The Chair queried whether Azets have the capacity or expertise for this role.</p> <p>The CFO confirmed the role required a knowledge of processing, but did not require examination</p>	



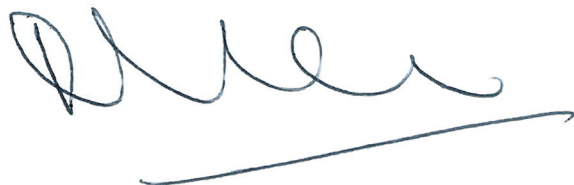
		<p>expertise.</p> <p>The CISO explained that at present colleges have autonomy for the examination process. An examination assurance audit is required to identify the effectiveness of these processes and ensure the Group are operating a consistent programme from both an educational and corporate perspective.</p> <p>The CFO noted concern that Azets have yet to confirm an assigned audit contact and work is due to begin in April.</p> <p>The Chair suggested the Group may need to explore other options if they are to fulfil governance requirements of the Audit Committee.</p> <p>The CFO proposed approaching another external auditor or a consultancy from the Department for Education (DfE) sector.</p> <p>Governors agreed contact should be made with Azets as a priority, and if they are unable to confirm the audit schedule, another audit body should be engaged.</p> <p>The CFO confirmed it would still be possible to present the examination assurance audit report at the next Audit Committee if management responses are presented at the RAC Committee.</p> <p><b>ACTION – CL to confirm examination assurance audit details with Azets</b> <b>NOTED – Governing Body Audit Plan for 2024-2025</b></p>	CL
11.	11.1 Audit Self-Assessment Report 2024-25	<p>The Group Director of Governance (GDG) presented the proposed Audit Self-Assessment Questionnaire for 2024-25:</p> <ul style="list-style-type: none"> <li>• All committee members will be invited to complete the questionnaire in time for the results to be reported to the Audit Committee in June.</li> <li>• A summary of the results will form an appendix to the Annual Report of the Audit Committee to the Full Governing Board in December.</li> <li>• The questionnaire will be sent out electronically via Microsoft Forms.</li> </ul>	JC

	11.2 Appendix Audit Committee Self-Assessment Evaluation 2024-25	<p>The Chair queried if this will be the same digital form and framework of questions used last year.</p> <p>The GDG confirmed this was the case and the Chair noted the new digital form had proved successful last year.</p> <p><b>AGREED: Audit Self-Assessment process for 2024-25</b></p>	
12	<p>12.1 Performance Review of Internal and External Auditors Services</p> <p>12.2 Appendix 1: External Auditor Performance Evaluation 2024-25</p> <p>12.3 Appendix 2: Internal Auditor Performance Evaluation 2024-25</p>	<p>The Group Director of Governance presented the proposed process for the Performance Review of Internal and External Auditor Services and explained that the evaluative document would be circulated to governors following the meeting, in preparation for the next Audit Committee meeting.</p> <p>The Chair queried if the same process discussed in item 11 would be applied to the performance review of internal and external auditor services. The GDG confirmed this would be the case.</p> <p>The Chair noted that whilst continuity and familiarity with the EKC Structure and Organisation can be a benefit, there is a risk attached to such familiarity.</p> <p>The CFO commented that the risk would be low for a public sector organisation.</p> <p>The Chair suggested any concerns would be highlighted in the performance review.</p> <p><b>AGREED: The presented process for the Performance Review of Internal and External Auditor Services.</b></p>	JC
13	Any Other Business	<p>There was no other business raised.</p> <p>The Chair offered personal thanks to the GDG and CFO for the help and support given at the Audit Committee meetings and wished them both the best of luck for the future.</p>	
14	Matters Considered Confidential	No Matters were considered to be confidential.	

15	Date and time of next meeting	Tuesday, 24 <sup>th</sup> June at 9.30am, at Canterbury College Boardroom (J221).	
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There being no further business the meeting closed at 11.10am.

Signed:



Print: Peter Cheney

Date: 24 June 2025