

OLDHAM COLLEGE

AUDIT COMMITTEE

Minutes of the Meeting held on 10 December 2020 Via Google Meet

Present:	Laura Smart Jane Shelton Lorna Unwin	Governor Associate Member Governor
Officers:	Allan Tyrer Debra Woodruff Rebecca Johnson Patrick Clarke Daniel Watson Chris Martin Janet Frost	Finance Director Deputy Principal Asst. Director of Finance ICCA Mazars Mazars Clerk to the Corporation
Apologies:	Katrina Hann	Governor

6.00pm – Meeting not quorate and members agreed to wait for LU who had been delayed to join the meeting.

6.35pm – The formal meeting commenced at 6.35pm

8/20 Election of Chair and Vice Chair 2020/21

The Clerk reported Katrina Hann had agreed to continue to Chair the Audit Committee for a further 12 months and members confirmed their approval. However it was noted KH was currently on maternity leave and would be absent from the Corporation until early 2021. It was discussed and agreed Laura Smart would be appointed as Vice Chair for 2020/21 and carry out the duties of Chair until the return of KH.

It was **RESOLVED** that:-

- (i) Laura Smart be appointed Vice Chair for 2020/21 and act as Chair of the Audit Committee in the absence of Katrina Hann
- (ii) members appointed Katrina Hann as Chair for 2021 upon her return from maternity leave (date to be confirmed).

9/20 Apologies

Apologies for absence had been received and were accepted from Katrina Hann.

10/20 Meeting of Auditors with Members only (No officers)

The Clerk advised that this item gave the opportunity for members to speak to Auditors with no management present. Members agreed that they had no matters to discuss with the Auditors. It was **RESOLVED** that the members did not currently require a meeting with Auditors without management present.

11/20 Declaration of Conflicts of Interest

None declared.

12/20 Permission for Officers of the Organisation to be Present

It was **RESOLVED** that officers present should remain in the meeting.

13/20 (i) Minutes of the previous meeting held 18 June 2020

The minutes of the meeting held 18 June 2020 had been previously circulated to members for

consideration.

It was **RESOLVED** that the minutes of the meeting be accepted and approved by the members of the Committee.

(ii) **Minutes of the Special meeting of the Audit Committee held 22 September 2020**

The minutes of the Special meeting of the Audit Committee held 22 September 2020 had been previously circulated to members for consideration.

It was **RESOLVED** that the minutes of the meeting be accepted and approved by the members of the Committee.

14/20 Matters arising from minutes of the previous meeting

There were no matters arising.

15/20 Notification of Items of Any Other Business

There were no Items of AOB reported.

16/20 Rolling Action List Update

(i) **18 June 2020 Min 62/19 - Programme of Presentations on Individual Risk**

Members to agree presentations following the September meeting.

Reported the topic for the current meeting had been agreed and topics for the March meeting would be agreed in discussion with KH and LS.

It was **RESOLVED** this action was complete.

(ii) **18 June 2020 Min 64/19.2 - Internal Audit Follow Up Report**

To be reported to the December meeting

It was **RESOLVED** this action was complete.

(iii) **18 June 2020 Min 69/19 - Post 16 Audit Code of Practice 2019-2020**

Deferred to the next meeting

It was **RESOLVED** this action was complete.

17/20 Risk Management Presentation: The Impact of Covid 19 and actions to mitigate risks (Item 10)

The Finance Director provided a presentation to members which considered the impact Covid 19 has had on the college, students and stakeholders and ways in which actions were being taken to minimise the risks. The Finance Director explained the tools used to identify risks and the mitigating factors that are considered to manage each risk.

A detailed discussion took place and members considered the financial risks including lost income across apprenticeships, HE, adult funding and commercial income and actions that had been taken to reduce the impact. Consideration was also given to funding the college had received in 2020/21 via the Capital Fund and T Level Capital.

The Chair thanked AT for his presentation.

18/20 Programme of Presentations of Individual Risks 2020/21 (Item 11)

The Clerk informed members that at each meeting of the Audit Committee a presentation detailing the risks associated with a College area or activity and how those were mitigated would be delivered to members by a staff member or senior manager from the area/activity. This would form part of the training activity for Governors but be specifically directed at audit members.

Members agreed the topic for the March meeting to be agreed in discussion with KH and LS.

It was **RESOLVED** that noted the report.

19/20 Draft Financial Statements 2019/20 (Item 12)

The Finance Director reported the financial statements were yet to be finalised and provided a summary of the areas requiring completion which related in part to the treatment of the lease of the UTC. The Finance Director requested a further meeting of the Audit Committee be scheduled in January 2021 to receive the final statements. He added the ESFA had extended the deadline for receipt of all college's accounts to 31st January 2021.

Members confirmed their approval to schedule a further meeting.

It was **RESOLVED** the Financial Statements for 2019/20 be presented to the Audit Committee on 19th January 2021 for review and recommendation to the Corporation.

20/20 Audit Finding Document and Audit Management Letter (Item 13)

A draft report detailing the Audit Findings had been prepared by the External Auditor, Mazars, and had been previously circulated to members for consideration.

The draft report was presented by Chris Martin and Daniel Watson of Mazars. CM advised members that the purpose of the report was to highlight the key issues affecting the results of the College and the preparation of the College's financial statements for the year ended 31 July 2020 and also used to report to management in order to meet the mandatory requirements of International Standard on Auditing.

CL reported that at the time of drafting the report there were a number of matters outstanding and he referred members to these matters in the report which principally related to the accounting treatment of the lease signed by the College in April 2019 in respect of the UTC.

It was reported the final report would be presented to the Audit Committee for review and recommendation to the Corporation at the 19 January 2021 meeting.

It was **RESOLVED** that the final Audit Finding Documents be presented to the Audit Committee at its January 2021 meeting for review and recommendation to the Corporation.

21/20 Internal Audit Plan 2020/21 and Strategy to 2021/22 (Item 14.1)

A copy of the Internal Audit Plan for 2020/21 and Strategy to 2021/22 had previously been circulated to members for consideration and comment. It was reported the Plan had been updated to reflect the comments of the Committee from the June 2020 meeting and confirmed the areas selected for coverage were appropriate.

In discussion the Committee confirmed their satisfaction that sufficient assurances were being received within the annual plan to monitor the organisation's risk profile effectively and the strategy for internal audit covered the organisation's key risks as they were recognised by the audit committee.

Members confirmed their approval of the plan as presented.

It was **RESOLVED** that members approved the report as presented and recommended approval to the Corporation at its December 2020 meeting.

22/20 Internal Audit Report 2019/20 (Item 14.2)

The Internal Audit Annual Report for 2019/20 had been prepared by internal auditors ICCA, and had been previously circulated to members for consideration.

Patrick Clarke of ICCA reported they had provided the Internal Audit Service to the College for the year ended 31st July 2020 and that the work had been carried out in accordance with the Annual Internal Audit Plan, approved by the Governing Body and was designed so that the Auditors are able to make a statement on the adequacy and effectiveness of the College's risk management, control and governance processes. The internal auditor's assurance opinion for 2019/20 based on the work undertaken during the year was reported as providing '**Reasonable assurance**'.

It was noted there had been eight audit assignment reviews and one follow-up report completed in 2019/20, and it was also noted the follow-up on implementing the internal audit recommendations from 2018/19 confirmed the College had made Substantial progress in implementing the agreed actions.

Members considered the auditors KPIs for the year and were pleased to note all had been met.

It was **RESOLVED** that the Internal Audit Annual Report 2019/20 be recommended to Full Corporation for approval at its December 2020 meeting.

23/20 Internal Audit Assignment Reports

The Internal Audit Assignment Reports had been prepared by ICCA in accordance with the Audit Plan for 2019/20 and all had been previously circulated to members for consideration. In discussion the following reports were considered:-

23/20.1 Risk Management Report (Item 15.1)

The Internal Auditor introduced the report and highlighted the scope of the review which had been to provide management and the Audit Committee with an independent assurance opinion that the College has in place effective risk management and assurance reporting arrangements. It was reported that the Internal Audit opinion was that the Board could take '**Substantial assurance**' that the areas of the control environment tested were designed and operating effectively with no significant weaknesses.

Four low and one advisory actions had been agreed in the report.

It was **RESOLVED** that the report be received as presented.

23/20.2 Strategic Planning (Item 15.2)

The Internal Auditor introduced the report and highlighted the scope of the review which had been to provide management and the Audit Committee with an independent assurance opinion that the College has adopted a sufficiently robust approach to strategic planning to ensure that the resultant strategy meets the needs of the College and its key stakeholders.

It was reported that the Internal Audit opinion was that the Board could take '**Substantial assurance**' that the areas of the control environment tested were designed and operating effectively with no significant weaknesses.

One medium action had been agreed in the report.

It was **RESOLVED** that the report be received as presented.

23/20.3 Internal Audit – Follow Up Report (Item 14.2)

The Internal Auditor reported that as part of the approved internal audit periodic plan for 2019/20 they had undertaken a review to follow up progress made by the College to implement previous internal audit recommendations. The auditor informed members that as a result of the work undertaken he could provide management and the Audit Committee with '**Substantial Assurance**' that progress with implementing previously agreed internal audit recommendations had been timely and effective.

It was **RESOLVED** that the report be received as presented

24/20 Oldham College Teacher's Pension Report 2019/20 (Item 16)

Daniel Watson of Mazars presented the independent report in connection with Teachers' Pensions end of year return for the period ending 31 March 2020. DW explained the content of the report in detail which members noted. He advised only minor variances had been found in each of the tiers whilst carrying out the audit however these were only minor and there was no significant findings to report.

The Assistant Finance Director reported that the introduction of a new HR system will improve processes going forward and this was supported by DW.

It was **RESOLVED** that the report be received as presented.

25/20 Risk Management Annual Report 2019/20 and Risk Management Policy (Item 17 & 17.2)

The Finance Director had previously circulated the Risk Management Annual Report and updated Risk Management Policy. The Annual Report summarised the activities of the College and the Committee to give assurance on the effectiveness of the College's Risk Management procedures and processes in the year ending 31st July 2020.

The FD advised members the management of risk had again been focused on the key operational risks and referred to the Risk Management Register (Item 17.1).

The FD informed members the risks are being continuously reviewed, adapted and reported on at key management and Governor meetings and the inclusion of references to the relevant risks in meeting agendas, papers and minutes has enhanced the management and control of the key risks.

Regarding the Covid pandemic the FD reported this has had a major impact on the College's risk profile and all risks have been reviewed regarding its impact on them and appropriate actions taken to reduce those risk where possible.

A copy of the Risk Management Policy was also provided and considered by members and they noted the changes as highlighted.

It was **RESOLVED** that:-

- (i) members recommended approval of the Risk Management Annual Report to the Full Corporation
- (ii) recommended approval of the Risk Management Policy to the Corporation.

26/20 Risk Management Register (Item 17.1)

A report detailing the updated Risk Register had been prepared by the Finance Director and previously circulated for consideration.

The Finance Director introduced the report, advising the Committee that the key operational risks had been updated and the mitigated scores adjusted to reflect the current position.

The FD again referred to the impact of Covid on the organisation and the actions that had been taken to mitigate risk. Members considered the impact of Covid and discussed in detail the potential risks associated with online learning and student outcomes and also the financial risks. The FD outlined the processes in place by SLT to monitor and mitigate these risks and agreed to provide an update at the next meeting.

It was **RESOLVED** that the Risk Management Register as at December 2020 be accepted and endorsed the progress on the Colleges approach to Risk Management.

27/20 Audit Rolling Recommendation Tracking Tool (Item 18)

A report detailing a copy of the Audit Rolling Recommendation Tracking Tool had been prepared by the Assistant Director of Finance and previously circulated to members for consideration.

The Assistant Director reported that the tracking system had been developed based on the RAG rated system of reporting and included all recommendations taken from the Internal Audit assignment reports that required implementation by the College.

The Finance Director provided an update on each action that remained RED on the report.

It was **RESOLVED** that members noted the report and progress achieved.

28/20 Post 16 Audit Code of Practice 2019 - 2020 (Item 19)

The Clerk presented a report that detailed the changes to the revised Post 16 Audit Code of Practice. It was reported that whilst the Code was issued in July 2020 it was effective from 1 August 2019. Members considered and noted the changes.

It was **RESOLVED** that members noted the changes to the Post 16 Audit Code of Practice 2019/20.

29/20 Audit Committee Annual Report 2019/20 (Item 20)

Deferred to the January 2021 meeting.

30/20 Self-Assessment and Effectiveness Questionnaire (Item 21)

A copy of the Self-Assessment and Effectiveness questionnaire had been previously sent to members of the Audit Committee and the Clerk reported the findings. The Chair requested the Clerk to consider the actions required as per the report and update members on progress at the March 2021 meeting.

It was **RESOLVED** that members noted the report as presented.

31/20 Use of Consultants (Item 22)

The Director reported that use of consultants since the previous meetings. No comments were raised on the report.

It was **RESOLVED** that members noted the report.

32/20 Workplan 2020/21 and Commentary on Changes (Item 24)

A copy of the Workplan for 2020/21 including changes to the reporting sequence for the current meeting was presented to members for consideration. Members noted the amendments.

It was **RESOLVED** that members noted the report.

33/20 Items of Any Other Business

There were no Items of AOB.

34/20 Dates of meeting for 2020/21

19 January 2021

9 March 2021

8 June 2021

The meeting finished at 7.25pm

Minutes Approved: **Date:**

Chair

Rolling Action List – Audit Committee 10 December 2020

Meeting Date & Item No.	Rolling Action List (Outstanding actions from previous meeting(s) to be carried forward, listed below, and not removed until completed/closed.)	Actionee	Reported as Completed at meeting of
18 06 20 Min 62/19	<u>Programme of Presentations on Individual Risk</u> Members to agree presentations following the September meeting	All	10 12 20 Min 18/20
18 06 20 64/19.2	<u>Internal Audit Follow Up Report</u> To be reported to the December meeting	Internal Audit	10 12 20 Min 22/20
18 06 20 Min 69/19	<u>Post 16 Audit Code of Practice 2019-2020</u> Deferred to the next meeting	Clerk	10 12 20 Min 28/20
10 12 20 Min 18/20	<u>Programme of Presentations of Individual Risks 2020/21</u> Topic for the March 2021 meeting to be agreed in discussion with Chair and Vice Chair	Clerk	
10 12 20 Min 19/20	<u>Financial Statements 2019/20</u> Financial Statements for 2019/20 be presented to the Audit Committee on 19 th January for review and recommendation to the Corporation	Finance Director	
10 12 20 Min 20/20	<u>Audit Finding Documents 2019/20</u> The final Audit Finding Documents be presented to the Audit Committee at its January 2021 meeting for review and recommendation to the Corporation	Mazars	
10 12 20 Min 22/20	<u>Internal Audit Annual Report 2019/20</u> The Internal Audit Annual Report 2019/20 be recommended to Full Corporation for approval at its December 2020 meeting	Clerk	
10 12 20 Min 25/20	<u>Risk Management Annual Report 2019/20</u> (i) The Risk Management Annual Report to be presented for approval to Corporation at its December 2020 meeting (ii)The Risk Management Policy to be presented for approval to the Corporation at its December 2020 meeting.	Clerk	
10 12 20 Min 29/20	<u>Audit Committee Annual Report 2019/20</u> Deferred to the January 2021 meeting.	Chair/Clerk	
10 12 20 Min 30/20	<u>Self-Assessment and Effectiveness Questionnaire</u> Follow up actions and comment in the SAR and report update to the March 2021 meeting	Clerk	