GRANTHAM COLLEGE
AUDIT COMMITTEE MEETING

Minutes of the Meeting held on 9 July 2024, 17.00
Via Microsoft Teams

Present:

Mr M Argyle	Audit Committee Chairman / Lay Member
Ms C Dewhirst	General Member
Mr N Jones	General Member

In Attendance:

Mr P Deane	Principal & Chief Executive
Mrs A Harrison	Director of Finance
Ms L Smith	RSM
Mrs J Taylor-Holmes	Clerk

Agenda: There were no changes to the agenda.

1	**AC/24/114 - Apologies for absence** Apologies were received from Ms B Dungarwalla, General member.	
2	**AC/24/115 – Confirmation of eligibility, quorum and declarations of interest** No notice had been received of any member becoming ineligible to hold office. The meeting was quorate and there were no declarations of interest in agenda items.	
3	**AC/24/116 – Minutes of the previous meeting on 8 March 2024** **Resolved –** the minutes of the previous Audit Committee meeting held on 8 March 2024 were approved as a true and accurate record.	
4	There was no urgent business notified.	
5	**AC/24/117 - Matters Arising** Mrs A Harrison, Director of Finance explained that she had received a number of quotes in relation to the VAT review work. It was noted that the quote received high; over £5000 and it was suggested that the value gained from the exercise may not be equal to the cost. It was noted that the VAT review was a recommendation from an internal audit. It was agreed that this would not be taken forward.	
6	It was noted that the action plan had been reduced in line with the action arising from the previous meeting.	

7	All other matters arising from the previous meeting had been completed or were on the agenda for consideration.	
	AC/24/118 - Audit Follow Up Register	
8	Mrs A Harrison, Director of Finance presented the Audit Follow Up Register which provided an update on action taken against recommendations received in previous audits.	
9	Mrs Harrison confirmed that the register included the actions arising from the internal and external audit process. It was noted that items were removed after consideration by the Audit Committee.	
10	It was noted that the register was colour coded. Committee members reviewed the register and noted that there were many green rated actions.	
11	Mr M Argyle, referred to the funding rule compliance item and apprentice progress reviews. Mr P Deane, Principal & Chief Executive commented that this was an ongoing challenge to ensure that the College was completing with the 12-week reviews. This was regularly reviewed by SLT and monitored. Mr Deane confirmed that this was an improving picture.	
12	Ms L Smith, RSM confirmed that this would be followed up as part of the annual process. Ms Smith explained that it was important that the reviews were scheduled; where it was not possible to complete within the 12-week period, it was important this was rescheduled and the action taken noted. Ms Smith confirmed that this did not have a funding impact however, may be an issue should Ofsted review this area.	
13	Mr Deane commented that employer feedback supported the delays in feedback around reviews, this remained an area of focus for the College.	
14	It was agreed that Ms L Steptoe would be invited to the next meeting to provide an update on progress in this area.	**Action: Ms L Steptoe November 2024**
15	**Resolved -** The Committee received the Register of Audit follow up points.	
	AC/24/119 Risk Management Update	
16	Mrs Harrison presented the Risk Management Update.	

17	Mrs Harrison provided the draft minutes of the Risk Management Group meeting held on 5 June 2024, the current risk register and the risk management action plan.	
18	Mrs Harrison confirmed that the risk register had been updated following comments made at the previous meeting.	
19	Associated risks for the Standards and Finance & Resources Committees were now being shared at the respective Committee meetings.	
20	Committee members reviewed changes to the risk register following the previous Audit Committee, this was evidenced in the Risk Management Committee minutes.	
21	Mr Argyle referred to apologies for absence and Mrs Harrison confirmed that dates for 2024/25 had been set in advance.	
22	Mr Argyle asked about Alertus; Mr Deane explained that this was an App and a way of communicating to staff around emergencies such as the need to lock down the College.	
23	There were no further comments on the risk register or actions in place. Committee members noted the changes to the Risk register.	
24	**Resolved -** The Committee received the Risk Management Report.	
	AC/24/120 Relevant Sector Information	
25	Mrs Harrison referred to the guidance circulated.	
26	Committee members discussed the following (publications received via email);	
27	• RSM - Emerging Risk Radar • AoC Finance & Funding Briefing 06.06.24 (including budget setting seeing as there is an election) • CPC Procurement Bill Webinar slides – Mrs Harrison had also added the commentary to this and put Q&A's at the end so everything is in one document • RSM - How the Procurement Act Affects You	
28	Mrs Harrison explained that the Procurement strategy and policy was on the Board agenda for consideration. There was a requirement to publish certain contracts. It was noted that some of the Regulations may not be relevant to education establishments, this was being monitored. The guidance would be circulated to staff.	

29	Mrs Harrison had broken down the contents of the FE Emerging issues document June 2024, it covered financial changes & updates but also - • Economic Crime & Corporate Transparency Act - became law October 2023 – this included - 'failure to prevent fraud offence' and scope plus prosecution and unlimited fine	
30	It was noted that this applied to all sectors but large organisations were mainly in scope - meeting two of following; over 250 employees, turnover over £36million, over £18 million in total assets. There may be an impact for colleges as many colleges would be in scope for the new offence. More detail was within the document.	
31	More information on reclassification Procurement Act 2023 - What need to know Education & Sustainability ESFA Funding Streams Apprenticeship rules 24/25 Adult Skills Fund	
32	FE & Risk Management Impact of AI VAT & Building projects New Mental Health Charter Prevent Duty	
33	Mr Deane confirmed that the College was liaising with the local authority to support the devolution of funding.	
34	**Resolved -** The Committee received the Relevant Sector Information.	
	AC/24/121 - Internal Audit Reports	
35	Ms Smith presented the Internal Audit Reports. There had been three reports finalised; Budgeting, Funding Assurance and Follow up. Ms Smith explained that this concluded the work for 2023/24 and the Head of Internal Audit opinion was being prepared.	
36	In relation to the Budgeting Internal Audit report; a reasonable assurance opinion had been received with one medium recommendation. This had been agreed with management and was in relation to the stress testing element. There was some sensibility analysis being undertaken but the Civica system was not being fully utilised. It was noted that low priority actions were housekeeping points.	

37	Mrs Harrison confirmed that there had been some staff training undertaken. It was noted that this was new software being utilised by the College. It was noted that there was some stress testing as part of the CFR returns.	
38	In relation to the Funding Assurance report, this was focused on T-Level students and did also review DSAT reports. The review including a review of planned hours within the study programme. When asking for evidence, this was only being provided for year one, this needed to cover the full duration not just the academic year being considered. In relation to work placements, a number of issues had been identified; two learners where the industry placement not yet been sourced, one which had three placements and one was funded through the Turing scheme which was double funded. Feedback from the review of the DSAT reports was within the report.	
39	Committee members agreed the review was useful and Mr Deane commented that this was a new qualification and there were a number of challenges around work placements. This may be impacted by growth in this area, it was noted that there was a significant reliance on employers to support T-Levels and commitment needed throughout the work placement.	
40	In relation to the follow up report, Ms Smith provided the update on the review of the 13 recommendations and management actions. There were two recommendations where action was ongoing. Committee members commented that it was pleasing to see that action was ongoing but not yet completed. It was noted that one recommendation had been reduced to a low-level recommendation.	
41	It was noted that the actions would be added to the follow up register.	
42	**Resolved -** Committee members received the Internal Audit Reports and update.	
	AC/24/122 – Internal Audit Plan 2024/25	
43	Ms Smith presented the Internal Audit Plan for 2024/25.	
44	The provision of the Internal Audit opinion was linked to the number of days and the coverage; around 35 days is usual.	
45	It was noted that is the College reduced the number of audit days to 25 days, RSM would not be able to provide a Head of Internal Audit opinion due to a rule change.	

46	It was noted that the plan presented would result in no Head of Internal Audit opinion, RSM would only be able to provide a statement.	
47	It was noted that in preparation of the plan, the risk register had been reviewed and a number of risk items were included within the plan.	
48	Ms Smith referred to the proposed internal audit reports within the plan and the rational for inclusion.	
49	It was noted that should 25 days be provided this would increase the fee and would reflect the increase in the number of days and a 3% fee increase.	
50	Committee members discussed the Health and Safety report and whether this was needed and noted that there was no specific requirement for the Head of Internal Audit opinion.	
51	It was suggested that Health and Safety could be reviewed internally against the framework, and this area had been significantly improved following the Health and Safety internal audit.	
52	It was noted that the assurance from internal audit could be provided to the Board through the Audit Committee Annual report.	
53	**Resolved:** Committee members approved the Internal Audit plan subject to the removal of the Health and Safety report.	
	AC/24/123 – External Audit Plan for year ending 31 July 2024	
54	Ms S Goldsmith, Price Bailey, provided the external audit plan for the year ending 31 July 2024.	
55	Ms Goldsmith provided that there were no reporting changes expected during the year.	
56	Ms Goldsmith referred to page 1 – engagement objectives and the scope of the assignments, the report on regularity and opinion of the financial statements. It was noted that assurance around teachers' pension scheme was currently underway.	
57	Ms Goldsmith confirmed that she and the team were working closely with Mrs Harrison who prepared the statutory accounts / statements which would be reviewed by Price Bailey.	

58	Interim audit work had been undertaken in June to prepare for the audit.	
59	Section 5; fees were referred to. It was noted that there was a small inflationary increase of around 4%.	
60	Section 6, included details of the audit planning meeting held on 21 May 2024.	
61	Section 7, identified key risks from the audit planning meeting and previous work undertaken; this described the risk identified and the audit approach to be taken.	
62	Committee members noted the use of artificial intelligence to test and review.	
63	In relation to related party transactions, it was noted that new Governors would be asked to declare with existing Governors being given the option to declare no changes.	
64	Ms Goldsmith confirmed that there would be a review against laws and regulations and reference to Managing Public Money and review of fund allocation.	
65	Ms Goldsmith referred to section 18 and the independence of the auditors; Committee members noted that the pension scheme review sat outside of the statutory audit.	
66	**Resolved -** Committee members approved the External Audit Plan.	
	AC/24/124 – Policies	
67	Anti-Bribery Policy Fraud Corruption & Irregularities Policy Risk Management Policy	
68	Committee members reviewed the Policies.	
69	Mrs Harrison explained that Policies had been reviewed and updated, in some cases before the due date, because of importance of the Policies and the desire to bring all to the meeting.	
70	**Resolved** – Committee members approved the Policies	
	AC/24/125 - Matters for Specific Report to the Corporation	
71	It was agreed that the following items would be reported to the Corporation;	

72 73 74	External Audit plan – The Audit Committee had approved the External Audit plan. Internal Audit Plan -approved subject to removal of the H&S report – would be updated by RSM and circulated to Committee members. • Risk Management Report received. • Follow up report received and agreed that Ms Steptoe would come to the next Audit Committee meeting to provide an update on apprenticeship. • Internal Audit reports received in three areas, Budgeting, Funding Assurance and follow up. Discussed the recommendations received and the management action taken. Pleased that there had been good progress against the follow up against previous recommendations. • Received the Relevant sector information • Approved; Anti-Bribery Policy, Fraud Corruption & Irregularities Policy and the Risk Management Policy • Discussed the VAT review costing and agreed that this would not be pursued.	
75	**AC/24/126 Urgent Business / Any other Business** There being no further business the meeting closed.	

Date of next Meeting:
Joint Audit and Finance & Resources Committee – Tuesday 26th November 2024, 6.00pm

Signed as a true and accurate record

Chairman
Date

Agenda Item	Description	By whom	By when
AC/24/118 - Audit Follow Up Register	Funding rule compliance item and apprentice progress reviews. - It was agreed that Ms L Steptoe would be invited to the next meeting to provide an update on progress in this area.	Ms L Steptoe	November 2024