

# Audit Committee

Tue 11 June 2024, 08:30 - 10:00

Over Teams

## Attendees

### Board members

Tim Stockings (Member and Committee Vice Chair), Kwame Amoako-Atta (Committee Chair), Hussa Al-Mima Ali (Director of Finance), Kay Sandford-Beal (Director of Governance), Tracey Inverary (Member and Vice Chair of the Corporation), Paul Goddard (Scrutton Bland), Sudhir Singh (MHA)

Absent: Angela Foster (Member, Non-teaching Staff), Sara Whittaker (Member)

Over Teams

## Meeting minutes

### 1. Welcome, apologies for absence and quoracy

To welcome members to the meeting, acknowledge apologies and confirm that the meeting is quorate.

The Chair welcomed members and thanked them for their attendance. Apologies had been received from Sara Whittaker and Angela Foster. The meeting was confirmed as quorate.

### Information

Kwame Amoako-Atta

#### 1.1. Confidentiality Statement

To remind Governors of the standard practice around confidentiality

The Chair drew members' attention to the Confidentiality statement: All matters discussed during this meeting are confidential until the minutes are approved. Any items recorded as Reserved Business remain confidential after the Reserved Business minutes have been approved.

### Information

Kwame Amoako-Atta

### 2. Declarations of interest

To acknowledge declarations of interest against any item on the agenda.

None were declared.

### Information

Kwame Amoako-Atta

### 3. Minutes of the previous meeting on the 26 March 2024

To approve the minutes of the last meeting on the 26 March 2024 as a true record.

**DECISION:** The minutes of the previous meeting on the 26th March were **approved** as a true record of the meeting.

 3. Chair Approved Minutes\_Audit Committee\_260324.pdf

### Decision

Kwame Amoako-Atta

### 4. Matters arising from the minutes of the previous meeting on the 26th March 2024

To monitor the completion of outstanding actions from the last meeting on the 26th March 2024.

The Chair summarised progress detailed within the action log illustrating what had either been completed or added to the meeting agenda for further discussion.

**ACTION:** KS to update Action plan to reflect that audit definitions had been shared with the new Finance Director in advance of the meeting.

### Information


Kwame Amoako-Atta


PG advised that for further Cyber security training, it would be beneficial to approach the college's bankers (Lloyds's) who may be able to provide training free of charge.

The Committee Vice Chair advised, based on his experience, that training could also be provided through the college's own internet provider and investment managers if relevant.

It was agreed that the action around Risk Appetite be discussed further under Agenda item 5.

 4. Action log Audit 260324 - updated.pdf

 4.1 P 49 Post-16\_Audit\_Code\_of\_Practice\_2023\_to\_2024\_FINAL.pdf

 4.2 Risk Management - risk scoring definitions, example.pdf

## 5. Board Level Risk Register Report May/June 2024

## Discussion

Hussa Ali

Governors to review the latest Risk Register.

The Committee Vice Chair explained his background as a former auditor and regulator and identified what he considered to be issues with the newly updated Risk Register Report, based on the template that had been shared with the college by Scrutton Bland.

One governor, relatively new to the Audit Committee, asked for guidance on what constitutes a good risk register. The Committee Vice Chair explained that a good risk register should facilitate understanding by a non specialist and that those items, discussed the most should be reflected as such on the risk register.

The committee were advised of the following:

1. As there has been a move to a 5 x 5 assessment one would anticipate the scoring to change, but this remained unchanged.
2. 12 is still classed as red, which it should not be, as the top is now 25 ie 12 is <50%.
3. The new definitions need work & might be unhelpful eg 'requires exec involvement' = implies that they don't get involved routinely.
4. The likelihood definitions are problematic. Usually they are time-based (probability is the result of L x I, so including it in the 'L' definition means double counting) & the use of 'could / should' at 'some time' is too vague to be helpful.
5. The above changes require an amendment to the risk policy, accompanied by a clear explanation. A new risk policy should also show the tolerance of risk.


Members were advised that the risk register should make sense and not be so large that it is unmanageable. The 5 x 5 matrix allowed for greater capacity to split risks out and hone in on greater detail on those key risks. The committee were also informed that a rigorous timeframe should also be provided (eg within 1-5 years).

It was highlighted that charities as part of the Charity Commission needed to adhere to specific CC26 guidance. The external auditor clarified that despite having charity status, the college did not need to adhere to Charity Commission regulations. The committee were advised that 4 x Ts were useful when considering a Risk policy:

**T**reat Risk, **T**olerate Risk, **T**erminate Risk, **T**ransfer Risk (e.g. insurance)

**ACTION:** KS to check Risk policy and share feedback on Risk Register to Principal for reworking of risk register and updating of Risk Policy.

A Governor shared concern on one of the key risks: T Levels and queried if this was being discussed as a priority by the Corporation. KS shared that this key risk was being highlighted in both Quality and Performance and External Relations Committees, with plans in place where possible to mitigate. The Committee Chair also highlighted that this had also been discussed as a key risk at Corporation level.

 5. RSK-Risk Register\_4\_June\_2024\_new scoring.xlsm

## 5.1. Reports from the Committees on the monitoring of risk

Governors to review risks within recent Committee meeting minutes:

External Relations 06 02 24

Resources 12 03 24

Quality and Performance 19 03 24

Governance and Remuneration 23 04 24

Minutes of all recent committee meetings had been included for review, including any discussion relating to specific committee related risks. KS updated members that the agenda item of Committee Related Risks would in future be added to every Committee agenda to allow for the inclusion of a simple key risks summary to be provided to the Audit Committee in the future.

 5.1 Chair approved Minutes\_External Relations Committee\_060224.pdf

 5.1 Chair approved Minutes\_Resources Committee\_120324.pdf

 5.1 Chair approved Minutes\_Quality and Performance Committee\_190324.pdf

 5.1 Chair approved Minutes\_Governance and Remuneration Committee\_230424.pdf


## 6. Internal Auditor Reports

Scrutton Bland to present reports to Governors.

### 6.1. 2023-24 Risk and Assurance Progress Report

Governors to review the 2023/24 Risk and Assurance Progress Report

PG shared the Risk and Assurance Report with Governors, highlighting that the 2 outstanding audits were in progress but would be ready for presentation at the next Audit Committee meeting in November 2024. The draft report had been issued for the 'Follow up on Audit Recommendations', with 9 implemented, 6 in progress, 1 not implemented and 1, where the relevant member of staff had not been available to progress. Reasonable assurance would therefore be provided. The fieldwork had been completed for the Financial Controls Audit and the report would be shared at the November 24 meeting. A green assurance would be provided.

 6.1 Risk and Assurance Progress Report - Sir George Monoux College - June 2024 1.pdf

### 6.2. Internal Audit Planning for 2024-25

Governors to review the Internal Audit Plan for 2024-25

PG shared the areas of focus he had suggested and discussed with the Principal. The Committee were requested to review and choose 4 specific areas on which to focus for the forthcoming audit year. Suggestions from SB included:

Funding Assurance

Student Recruitment

Key Financial Controls

Estates Management

HR

Business Planning

The audit year begins 1st August each year but in reality the first audit would not begin until September 24.

Governors discussed potential areas of focus, emphasising that funding focus could be a challenge in view of an election on the horizon. The following were suggested for potential focus to be discussed with the principal, particularly with consideration of phasing and timing:


HR

Student Recruitment (in conversation with Principal and Vice Principal)

Project Management (including estate development and management)

GDPR (phasing and timing to be considered). The new FD emphasised that this provision had been outsourced and that she had plans to review this arrangement to ensure it was fit for purpose for the college's requirements.

**ACTION:** PG to collate areas of suggested focus and liaise with the Principal.

 6.2 Internal Audit Planning for 2024-25 - Sir George Monoux College.pdf

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## 7. Schedule of outstanding Audit Recommendations

Information

Governors to receive a verbal update on the progress or completion of outstanding Audit Recommendations.

Hussa Ali

The FD updated members verbally on progress made:

All supplier details are now actioned immediately

The Key Estimates and Judgements for Financial Statements will go to the Resources Committee on the 18th June 24.

Updating of the Financial Regulations will go to the 18th June 24 Resources Committee for review and approval.

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## 8. Audit Planning Memorandum - MHA

Information

Governors to receive the Audit Plan provided by MHA.

Sudhir Singh

SS of MHA expressed his thanks to Hussa Ali for the support provided in the Audit Planning. The dates had been noted for future meetings. SS shared that last year's audit had not been as smooth as previous years as it had been a turbulent year regarding resources and staff turnover. MHA understood that the team are stretched and would be as flexible as possible to facilitate this year's audit.

SS referred members to Section 4 of his report, highlighting Regularity in line with the Treasury requirements of Managing Public Money and emphasising that additional work and checks were required to be compliant. This was the first full year in which this requirement was applicable.

SS also reminded members of the issuing of the new College Handbook (shared with all governors) which would be applicable from the 1st August 2024. SS highlighted turbulence around pension valuations and informed members that they had access to actuarial advice, should further support be required.

 8. Sir George Monoux College- 2024 Audit Planning Memorandum (APM)(29551526.1).pdf

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### 8.1. Schedule of Musts 2024

Information

To provide Governors with information on how to ensure compliance with the new Financial Handbook.

Sudhir Singh

The Committee Chair thanked SS and his team for this useful and helpful reference document.

 8.1 Schedule of Musts 2024.pdf

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## 9. Fraud, Financial Irregularity, or Public Interest Disclosure

Information

To verbally report any incidents of fraud, financial irregularity of public interest disclosures arising since the last meeting of the committee.

Kwame Amoako-Atta

The Chair reported that he had been made aware of no relevant incidents.

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## 10. Committee Terms of Reference

Decision

Governors to review the Committee's terms of reference (annual)

Kwame Amoako-Atta

PG highlighted that there may be some duplication in the terms of reference for the Finance and Audit Committees, but subject to this further review, the terms of reference would be formally approved.

**ACTION:** KS to review and bring back to November meeting

## 10.1. Scheme of Delegation

Governors to review the Scheme of Delegation, as recommended by the Governance and Remuneration Committee for approval by the Board.

It was noted that any updates to the Audit Committee Terms of Reference be reflected in the Scheme of Delegation before submission to the Board for final approval.

 10.1 SCHEME OF DELEGATION v2.pdf

## Discussion

Kay Sandford-Beal

## 11. AOB

To discuss any urgent items not covered elsewhere on the agenda.

None reported.

## Information

Kwame Amoako-Atta

## 12. Date of next meeting

To confirm the date of the next meeting as Tuesday 26th November 2024 at 8.30am.

Date of next meeting confirmed as Tuesday 26th November at 8.30am over Teams.

## Information

Kwame Amoako-Atta

## 13. Meeting Close

The meeting closed at 9.55am