

# Audit Committee Meeting

Tuesday 26 November 2024, 08:30 - 10:00

Over Teams

## Attendees

### Board members

Dave Vasse (Principal - in attendance), Tim Stockings (Member and Committee Chair), Andy Boucher (Corporation Chair - in attendance), Hussa Al-Mima Ali (Director of Finance - in attendance), Kay Sandford-Beal (Director of Governance), Tracey Inverary (Vice Chair of Corporation), Graham Briscoe (Co-opted Independent Member), Emilia Antevska (Co-opted Independent Member), Jessica Douthwaite (Member), Paul Goddard (Scrutton Bland), Ryan Pearce (Scrutton Bland), Sudhir Singh (MHA)

Absent: Angela Foster (Member, Non-teaching Staff), Usha Puri-Dewage (Member), Sara Whittaker (Member), Jamie Davies (Member), Marian Orafu (Member), Rosali Pretorius (Member), Pat Morton (Member), Nazerine Noorani (Member - Teaching Staff), Chloe Hall (Member)

Meeting ID: 354 374 525 425

Passcode: hZU6FA

## Meeting minutes

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

Information

Tim Stockings

To welcome members, including new members to the meeting, acknowledge apologies and confirm that the meeting is quorate. Note that in accordance with the Audit Code of Practice all governors have been given the opportunity to attend.

The Committee Chair welcomed Governors to the meeting, including new Independent Member, Jessica Douthwaite and new Co-opted Independent Members, Emilia Antevska and Graham Briscoe and provided them with the context around which the Audit committee operates. Apologies had been received from Marian Orafu, Angela Foster, Sara Whittaker, Chloe Hall and Pat Morton. The Chair also welcomed internal auditors Paul Goddard and Ryan Pearce of Scrutton Bland and external auditor, Sudhir Singh of MHA.

The Chair congratulated the Principal on the recent Ofsted inspection outcome of 'Good' (with Personal Development being graded as 'Outstanding').

#### 1.1. Confidentiality Statement

Information

Tim Stockings

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**.

The Chair drew members' attention to the standard confidentiality requirement.

#### 1.2. The Role of Governors within the Audit Committee

Information

Tim Stockings

To provide new members with the context of their role within the Audit Committee.

The Committee Chair reminded members of the need to review and scrutinise all papers ahead of the meeting, to take the papers as read and to question and challenge where appropriate.

## 2. Declarations of interest

Information

Tim Stockings

Members to report any conflicts of interest against any item on the agenda.

GB declared an interest in his role as a Governor at Trafford college but no declarations of interest were received against any item on the agenda.

## 3. Minutes of the previous meeting on the 11th June 2024

Decision

Tim Stockings

To formally approve the minutes of the last meeting on the 11th June 2024 as a true record.

**DECISION:** Subject to minor amendments, the minutes of the last meeting were **approved**.

 3. DRAFT Minutes\_Audit Committee\_110624.pdf


## 4. Matters arising from the previous meeting on the 11th June 2024

Information

Tim Stockings

To monitor the completion of outstanding actions from the last meeting

The Chair referred members to the Action Log, reflecting that all outstanding actions had been completed.

 4. Action log Audit 110624 updated.pdf

## 5. Internal Auditor Reports

Information

Paul Goddard and Ryan Pearce, Scrutton Bland

### 5.1. Risk and Assurance Report on Key Financial Controls (Purchasing and Payments)


Information

Paul Goddard and Ryan Pearce

Governors to note the report.

Scrutton Bland highlighted that a 'Significant ' level of assurance could be provided following the audit on key financial controls, with just one low level recommendation needing to be implemented; that of the revision of the College Financial Regulations. This was currently in draft form and due to be presented to the Resources Committee at its March 2025 meeting. Advisory notes from the internal auditors included best practice on procurement processes.

Governors noted the report with no questions.

 5.1 Final Report - Key Financial Controls - Sir George Monoux College - 2023-24.pdf

### 5.2. Risk and Assurance Annual Report 23/ 24

Information

Paul Goddard and Ryan Pearce

Governors to note the report.

Scrutton Bland presented the key elements of the Risk and Assurance Annual Report 23/24 summarising adequate and effective processes evidenced, to provide assurance to the committee when preparing their annual report. PG highlighted that there was still improvement work to be done on Cyber Security and Health and Safety, having been provided with reasonable assurance throughout the years' internal audit process. PG noted that good engagement and swift action had been taken by management in response to recommendations.

A new Governor queried how the focus of internal audits was established and scheduled throughout the year.


PG shared that areas of potential focus were discussed with the Committee at the June meeting each year

and proposed in discussion with Monoux Management, planned in consideration of staff availability throughout the year. PG suggested that the detailed Audit plan be shared with members.

**ACTION: KS**

A Governor recommended that, in future years, the internal audit plan maps the strategic plan.

A Governor commended the report, highlighting that it provided strong assurance and recommendations to the committee.

 5.2 Risk and Assurance Annual Report - Sir George Monoux College - 2023-24.pdf

Information

**5.3. Risk and Assurance Progress Report November 24**

Paul Goddard and Ryan Pearce

Governors to note and approve the report for 2024-25.

Governors noted the report outlining areas of focus of the internal audit for the forthcoming year.

 5.3 Risk and Assurance Progress Report - SGMC - November 2024.pdf

Information

**5.4. Risk and Assurance Report for the Follow up of Previous Recommendations**

Paul Goddard and Ryan Pearce

Governors to note the report.

PG presented the Risk and Assurance Report for the Follow-up of Previous Actions 23-24, a piece of work completed by Scrutton Bland to track the progress and completion of previous recommendations. The Chair noted that, in view of the Ofsted inspection, there may be alternative emerging areas of focus required for internal audit throughout the year. In summary, the internal audit schedule should be informed by the Risk Register, ensuring that areas of higher risk have priority oversight.

A Governor advised that the Risk Register be linked to entities in the Audit universe, to ensure appropriate visibility and to provide assurance that the key risks are being managed by the college.

**ACTION: PG**

A Governor queried the high number of recommendations that could still not be closed, particularly with regard to health and safety risk assessments, which had a fast approaching due date of December.


The Principal explained that the new role of Health and Safety Officer had recently been filled and as a result there was an extended list of priorities to be acted upon.

**ACTION: DV** to provide update and assurance to committee via report to be shared at the December Corporation Meeting.

A Governor advised that the use of an 'Audit Tracker' be implemented, listing all actions resulting from the internal and statutory audits, to include the management responses so that progress could be monitored.

**ACTION: GB** to share sample with KS

A Governor questioned the inclusion of Carbon emissions within the audit plan. This was confirmed by Scrutton Bland as already being included within sections of the plan.

 5.4 Final Report - Follow Up - SGMC - 2024-25.pdf

Decision

**6. DRAFT Regularity Self Assessment Questionnaire 2023-2024**

Hussa Al-Mima Ali

For consideration and, if thought fit, to recommend to the Corporation for signing by the Chair and Principal.

Item 6 was taken out of sequence, following the discussion of agenda item 8.

The Regularity Self Assessment Questionnaire would need to be amended once details of supporting documentation regarding an employee termination had been provided to MHA, together with inclusion of the accurate financial figure in relation to the termination being reflected in the annual accounts. Only then could

committee members recommend to the Corporation for approval

**ACTION: HA/ KS**

 6. Draft Regularity\_self\_assessment\_questionnaire\_2023\_to\_2024.pdf

## 7. DRAFT Annual Report of the Audit Committee

Decision

Kay Sandford-Beal

To consider the report, providing members with assurance of the activities of the Audit Committee and if appropriate to recommend to the Corporation that it be signed by the Chair of Audit Committee.

Agenda item 7 was taken out of sequence, further to discussion of Agenda item 8, then followed by agenda item 6.

Governors were happy to approve the report in principle, with minor amendments to be made and approved in line with the annual report and financial statements and the Regularity Self-Assessment. GB suggested the insertion of an additional statement at the end of the report, providing assurance in the recommendation of the report for the Corporation to approve

**ACTION: KS** to make minimal revisions for Committee and Corporation approval

 Draft Annual Audit Report 23-24.pdf

## 8. DRAFT Financial Statements 2024 v13 post audit review

Information And Discussion

Hussa Al-Mima Ali

To note and discuss the report from the Finance Director.

The report by the Finance Director was taken as read.

A Governor queried the use of the management accounts, rather than the financial accounts within the Going Concern Assessment Paper, advising that the audited financial statements be presented. The Finance Director informed the members that, in response to this, she would present the committee with the revised document, now including the financial statements figures within the Going Concern Assessment Paper. The primary difference from the 2023/24 Management Accounts is the adjustments made for FRS 102 (pension), which are excluded by the ESFA when evaluating financial performance.

**ACTION: HA** revised Going Concern Assessment paper to be circulated

 8. Draft Audited Financial Statements 31 July 2024.pdf

### 8.1. Audit Findings Report for the year ended 31 July 2024

Information

Sudhir Singh

Governors to note and discuss the Audit Findings Report (AFR)

SS, representing MHA reported that the college were now in a good position regarding the external audit and that assurance could be provided. It was understood how the team continued to be stretched but SS thanked officers for their hard work and contributions. The college was commended that only minimal and reasonable adjustments had been required to be made.

SS confirmed the following:

- MHA were happy to confirm the college as a Going Concern
- That the management accounts are received on a monthly basis
- Functional statements are unmodified
- The audit approach had followed the plan
- There had been a delay in confirming that the Regularity Self-Assessment Questionnaire was in good order, due to the delay in MHA receiving requested documentation to evidence details of an employee's termination. SS did however confirm that, following a verbal discussion with the college Head of HR, on Monday 25th November, he had concluded that there had been no irregularity in the handling of the termination. SS informed members that it had proved extremely challenging to access the appropriate documentation, in adequate time ahead of today's Audit meeting, with an understanding of the

complexity and sensitivity of the termination situation. MHA had been required to satisfy themselves that the handling of the termination was in line with the guidelines outlined in the College Financial Handbook, to confirm that no prior approval had been required by the ESFA, due to the level at which the payment had been made. Following the discussion, MHA required the documented evidence outlining the process followed by the college, together with assurance provided by the College solicitors. SS recommended that such reassurance be detailed within the Letter of Representation to MHA, outlining the details of the termination and the payment made.

#### **ACTION : HA/KS**

 8.1 Sir George Monoux College - 2024 Audit Findings Report (AFR).pdf

### **8.2. Annual Report and Financial Statements to 31 July 2024**


**Decision**

Sudhir Singh

Governors to approve to recommend to the Corporation for approval.

HA reported a surplus of £38k and that all income and expenditure were in line with forecast; the only difference being the figures relating to pensions.

It was also reported that the Annual Report and Financial Statements to 31 July 2024 were still a working draft with the auditors in the process of reviewing the final version. SS confirmed that the process had not been straightforward and that additional work had been undertaken since the report had been issued due to the delay in requested documentation from the college HR team not being received. This had resulted in an additional cost to the college.

 8.2 DRAFT SGM Financial Statements 2024 v13 post audit review.pdf

### **8.3. Going Concern Assessment**

**Decision**

Hussa Al-Mima Ali

Governors to approve to recommend to the Corporation for approval.

The Going Concern Assessment would need to be approved following minor amendments.

#### **ACTION: HA**

 8.3 Going Concern Letter Audit 2024.pdf

### **8.4. Letter of Representation**

**Decision**

Sudhir Singh

Governors to approve to recommend to the Corporation for approval.

A Governor suggested the future inclusion of a section relating to audit readiness within the Letter of Representation (Management Letter) to provide further assurance.

As discussed, evidence from a third party would need to be included within the Letter of Representation to provide assurance regarding the outstanding issue of termination within the Regularity Self Assessment Questionnaire.

#### **ACTION: HA/ KS**

 8.4 Sir George Monoux College Letter of representation 2024.pdf

### **8.5. College Regularity Engagement Letter**

**Decision**

Sudhir Singh

Governors to approve to recommend to the Corporation for approval.

College Regularity Engagement would need to be approved for recommendation to the Corporation following appropriate assurance being provided to committee members.

 8.5 Sir George Monoux - College Regularity engagement letter Nov 2024.pdf

## 9. College Policy Schedule

Information

Tim Stockings/Kay Sanford-Beal

To note the revised Policy schedule, updated November 2024.

KS highlighted to Governors that based on her advice, the Health and Safety Policy had now been escalated for recommendation by the Resources to be approval by the Corporation. The policy had previously been approved at SLT level.

Governors noted the Policy Schedule and the Chair commented that in time, he would advise for some HR policies in particular to be amalgamated eg One Absence Policy only.

 SGMCM Policy Update November 2024.pdf

## 10. Risk Register

Information

Tim Stockings

To note the Risk Register as presented to the Corporation on the 8th October 2024.

Governors were asked to note the Risk Register which had been presented at the full Corporation meeting in October 2024. The College Risk Committee were not due to meet again until the 27th November to revisit. It was noted that new committee members had not reviewed the Risk Register previously.

A Governor highlighted that Pension liability was raised as a concern within the financial statements but had not included within the Risk Register. The Finance Director clarified that all colleges held this level of pension deficit and that this risk was mapped out within the budget and monitored.

**ACTION: DV and HA** to reconcile either Risk Register or use of word 'concern 'within narrative to ensure consistency

A Governor queried whether Cyber malpractice be included within the Risk Register if the on site risk were significant enough?

The Principal reported that the risk had not identified due to mitigation measures already in place which included controls implemented over reporting systems. A Governor highlighted the importance of meeting Filtering and Monitoring Standards.

A Governor noted that deadline for discussion around Risk G2, around Generative AI was January 2025.

**ACTION: DV** to discuss further with Risk Committee

**Q Gov:** How is the effectiveness and adequacy of actions taken by management to mitigate risk monitored and assessed? How are we tracking progress towards the target score?

**A - DV:** The Risk Register is reviewed by every committee, with each committee reviewing its remit. Any additional committee related risks are escalated for consideration by the Corporation. The Risk Management Policy also highlights Governor responsibility.

**ACTION: DV** to review how management action effectiveness can be tracked

**ACTION: KS** to refer new members to Risk Management Policy

 8. Risk Register 2024\_25 02\_Sept\_2024.pdf

## 11. AOB

Discussion

Tim Stockings

To discuss any urgent items not covered on the agenda.

As discussed, members to meet separately with auditors and to recommend amended final documents for approval by the Corporation or to be approved by resolution with email approval.

## 12. Next Meeting Date

Information

Tim Stockings

As per agenda item 11, it was noted that a further short meeting would need to be reconvened within the next 7 days for members to confirm their recommendation of the necessary papers to the Corporation.

**ACTION: KS**

The Meeting in the Spring term would take place on Tuesday 25th March 2025.

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## 13. Confidential discussion with Auditors without Officers present:

Discussion

Tim Stockings

**This is an annual meeting required by the ACOP**

This would need to be reconvened once all necessary paperwork to be recommended for approval by the Corporation had been appropriately amended.

**ACTION: KS**

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## 14. The meeting closed at 10.10am