



**SOUTH GLOUCESTERSHIRE AND STROUD COLLEGE**  
**FURTHER EDUCATION CORPORATION**

**AUDIT COMMITTEE**

Approved minutes of a meeting  
Held on Tuesday 20 September 2022  
Conducted via Microsoft Teams

<b>Present:</b>	Mike Croker	Corporation Member & Chair
	Phil Eames	Corporation Member
<b>In attendance:</b>	Rich Aitken	Head of Finance
	Karen Gentles	(RSM – Internal Audit Service)
	Kevin Hamblin	CEO & Executive Principal
	Jude Saunderson	Chief Financial Officer
	Sharon Glover	Clerk

1. **Apologies for Absence**

Apologies were received from Nathan Coughlin (Bishop Fleming), Sally Flett and Dave Merrett. Ben Short did not attend the meeting.

2. **Declarations of Interest**

There were no declarations of interest raised.

3. **Auditor Concerns**

The Clerk reported that RSM and Bishop Fleming had been invited to raise any concerns ahead of the meeting and had nothing to raise.

4. **Other Items of Urgent Business**

There were no other items of urgent business.

5. **Minutes of Previous Meeting**

The minutes of the meeting held 16 June 2022 were approved as a correct record, ready for signing by the Chair of the meeting.

6. **Matters Arising From Those Minutes**

a) Corporation approval of the following was noted:

- (i) The Internal Audit needs assessment, strategic plan and 2022/23 annual plan, revised post Audit Committee meeting. The Chair informed that following the Audit Committee

meeting the scope for some of the audits had reduced to focus on curriculum planning and review of the annual conversations.

- (ii) Whistleblowing policy.
- (iii) Revisions to the Audit Committee Terms of Reference.
- (iv) RSM's re-appointment for 2022/23 and the re-tendering of Internal Audit Service for the 3-year period from 1 September 2023.

b) Audit Committee action log – The action log was monitored and members were updated on the following:

- The Chair confirmed that he had provided the Chief Group Services Officer with examples of questions asked in the NHS staff surveys relating to whistleblowing. The Chief Financial Officer reported that these had been reviewed by the Executive Team who were content that the existing survey appropriately covers this area. The NHS model was considered to be more comprehensive with higher levels of expectations than in the FE Sector.
- Remote audit work by RSM will be taken on a case by case basis and agreed as part of the scoping exercise. For document review type audits, those will continue largely virtually, but for those testing intensive audits there will be more onsite presence.

The Head of Finance reported that the external audit commences next week and will be mainly remote but as this is their first year Bishop Fleming are keen to be on site 1/2 days and this will be reviewed after the first week. When asked, the Head of Finance confirmed that his team were 50% on site, which is the College wide approach for back office services.

*At this point Gavin Murray, Data Protection Officer joined the meeting.*

## 7. **Subcontracting Audit**

The Chief Financial Officer reported that following the oral report at the last meeting, the 10 audit action points had now reduced to 5. The College felt that there was a lack of understanding by the auditors of the DISE provision as some items raised were not considered relevant.

When asked, confirmation was received that the audit report and action plan have been sent to the ESFA and no feedback has been received.

It was reported that DISE provision is now the responsibility of the Department for Culture, Media and Sport and therefore, it was believed that only two small contracts will remain within the subcontracting audit scope and are de-minimus but the points will be picked up as best practice on all subcontracting. When asked if this Department was subject to the Post-16 Audit Code of Practice it was considered unlikely.

When asked, confirmation was received that there is a small amount of DISE provision which is subcontracted to other Colleges. Financial due diligence had not been undertaken on the sporting organisations as funded by wealthy individuals. Due diligence had also not been undertaken on Colleges as they are ESFA funded who carry out due diligence. However, the College will do so going forward. Some elements of the audit had been omitted by the College and others were a timing issue. Assurance was received that matters had been addressed and processes in place.

**The report was noted.**

8. **Update on WECA and ESFA funding audits**

The Chair asked the Chief Financial Officer to update the Committee on the WECA and ESFA audits that the College had been selected for. It was reported that all evidence had been provided for the WECA audit with three issues raised, some of which are being challenged.

The same auditors are undertaking the ESFA audit and are due at the College on 27 September for one week. A sample of 16-18 learners have been checked by the College and were fine. The Chair questioned what actions AoC are taking as two audits being undertaken simultaneously is a significant burden on the College. The AoC is concerned that this is a real issue for the sector as it is massively audited. The AoC tried to get audit reform on the DfE agenda, without success. The Chief Financial Officer shared the AoC's response with the committee. She had also met with other Colleges and will reply to the DfE Funding and Accountability consultation which will be reviewed by the AoC.

When asked if there will be any clawback, the Chief Financial Officer advised that it will depend on how WECA deal with the outcomes of the audit and the College has completed modelling on worse case scenarios. Although there is a risk, it won't be significant. There was confidence for the ESFA audit and historically the College has received clean audits.

The Chair advised that he had flagged with the Chair of the Corporation the funding auditing burden on Colleges and staff, especially at this time of year.

**The oral report was noted.**

9. **GDPR & Freedom of Information Report**

Gavin Murray, Data Protection Officer, presented the report and clarified that reference was made in the report to SGS Academy Trust's framework as they also use the College's framework for compliance and their audit produced no concerns or management actions. Reference was made to the inclusion of cyber attack reporting, which will be included annually going forward.

Members commented that the headline statistics are encouraging and the College has good control on this area. Clarification was also requested, and received, on the operation of the sub-contracted car parks in relation to

Freedom of Information requests. Members were informed that reception staff can access the car parking company's records and any requests are forwarded to the FoI Officer of the car parking company.

Following review of the two policies, clarification was received on how environmental FoI requests can be received. The Data Protection Officer was also asked to double check the accuracy of cross-referencing in the Data Privacy and Protection policy.

**The report was noted and it was resolved that:  
The Group Freedom Of Information Policy and Data Privacy & Protection Policy are to be recommended to Corporation for approval, subject to review of the points raised.**

**Action: Data Protection Officer.**

*At this point Gavin Murray, Data Protection Officer, was invited to leave the meeting.*

10. **Risk Management Annual Report**

The Chief Financial Officer presented the report, which was in the same format as previous years. It was reported that there were no major challenges this year and improvements had been made on risk reporting for last year.

Following review, a couple of areas for inclusion in the report were agreed.

**The report was noted.**

**Action: Chief Financial Officer.**

11. **Internal Audit**

- a) Draft 2021/22 Annual Report – RSM presented the report, showing a positive outcome for the College with the positive assurance of Amber/Green. Actions recommended had been reduced, with no high priority actions raised and colleagues should be congratulated.

Members noted that this was the same level of assurance as last year and questioned how Colleges could aspire to receive a solid green rating. RSM informed that this is not a common outcome and would require all reports to be green with very little recommendations raised.

The Committee asked that their thanks are extended to all staff concerned.

**The report was noted.**

- b) Progress report, including updates against the Internal Audit Protocol – RSM confirmed that audits are commencing this week, ahead of

schedule. Members asked whether the capital and estates management arrangements audit would take place on site as a visit to Berkeley may prove beneficial for this audit. RSM advised that a remote audit had been planned but can be revisited with the Head of Finance as the audit progresses.

Reference was also made to their client briefing relating to cyber-crime threats. When asked, confirmation was received that this briefing would be shared with relevant College staff.

**The report was noted.**

12. **Education and Skills Funding Agency Regularity & Propriety Questionnaire**

The Chief Financial Officer reported that Bishop Fleming are content to receive the questionnaire at the end of their audit as they will be picking up points raised in the questionnaire during the audit. When asked, confirmation was received that the questionnaire had not changed significantly from the previous year. Following review, a couple of updates were requested ahead of its presentation to Corporation for noting and signing.

**The report was noted.**

**Action: Chief Financial Officer.**

13. **Waivers/Breaches of Financial Regulations**

The Head of Finance presented the report covering instances where Financial Regulations had been waived and breached.

Members asked for further details about the specialist recruitment agency used for support workers and the reason for two waiver instances being reported. It was explained that due to the urgency to recruit there was no time to complete a tender process. However, a tender process was undertaken at a later date and value for money confirmed. Assurance was provided that the Chief Financial Officer, Head of Finance and the Procurement Team had been heavily involved to address the challenges faced.

Members asked for further information about the emergency work required at Horizon 38. Members were informed that the College was facing tight timescales and the mezzanine was on the critical path for the project. Members also noted a typographical error in the Appendix heading which should show POs over £30k and not £20k.

The Head of Finance reported four instances of breaches to Financial Regulations and actions taken. These were discussed in detail by the Committee and assurances provided. Assurance was also sought and received from the Accounting Officer.

**The report was noted.**

14. **Audit Action Plan**

The Chief Financial Officer reported that good progress had been made. Some of the dates on the red actions had not been properly thought through and assurance was provided that the focus on actions was there within the College. RSM confirmed satisfaction with the implementation of actions.

**The report was noted.**

15. **Any Other Business**

There was no other business raised.

16. **Key messages for Corporation**

The following key messages for Corporation were agreed:

- Positive outcome from the RSM annual report.
- The impact of the subcontracting report had lessened compared to the oral report received at the June Audit Committee meeting.
- Two policies are recommended to Corporation for approval.
- Concern was raised about the additional burden imposed on the College by the WECA and ESFA audits and the timing of these audits.
- Regularity Self-Assessment Questionnaire to be noted at the next Corporation meeting.

Concern was raised that, due to other commitments only two Audit Committee members were able to attend the meeting. It was recognised that a replacement would need to be sought for Ben Short and it was also suggested that another additional Corporation member is also appointed to this Committee.

It was agreed that the Clerk should discuss further with the Chair of the Corporation.

**Action: Clerk.**

17. **Date of Next Meeting**

Monday 14 November 2022, 3pm, WISE Campus

The meeting commenced at 3.00pm

The meeting closed at 4.14pm

The meeting was quorate.