



Minutes of the Audit Committee Meeting held on Tuesday 28 September 2021 at 9am via Teams

Present: Michelle Dutton (*Associate Member*) – from 9.20am
Mark Harvey (*Foundation Governor*)
Susan Jarvis (*Co-opted Governor*)
Andrew Jones – Chair (*Co-opted Governor*)

In attendance: Michelle Williams (*Vice Principal, Strategy & Resources*)
Ruth Potter (*Clerk*)

The Chair welcomed all attendees and the meeting was opened in prayer at 9.10am.

1. **DECLARATIONS OF INTEREST**

Members were invited to declare whether they had any direct or indirect personal, prejudicial or pecuniary interest or conflict of interest in any matter that formed part of the agenda for this meeting or was likely to be discussed at this meeting.

There were no declarations of interest made.

2. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Stephen Pringle (Wylie Bisset) and it was noted that the training session he was due to deliver to Committee members on 'Roles and Responsibilities of Audit Committee and the Role of Internal Audit' would be deferred to a later meeting.

The meeting was quorate.

3. **ITEMS FOR INCLUSION UNDER ANY OTHER BUSINESS**

There were no items submitted for inclusion under any other business.

4. **MINUTES OF THE PREVIOUS COMMITTEE MEETING HELD ON 15 JUNE 2021** (*previously circulated*)

4.1 **To (a) approve and sign the minutes in accordance with Article 12 (3) and (b) authorise publication in accordance with Article 13**

The minutes were approved as a correct record and would be signed by the Chair in accordance with Article 12 (3) of the Articles of Government. The publication of the minutes was authorised in accordance with Article 13.

5. **MATTERS ARISING FROM THE MINUTES**

5.1 **To consider any matters arising from the minutes** (*previously circulated*)

Committee members considered the action log prepared by the clerk.

5.1 – Procedure for complaints against the governing body, board members and the clerk

An updated policy would be presented to the Full Governing Body for consideration and approval at its next meeting on 12 October 2021.

13.1 – Post-16 Audit Code of Practice

It was confirmed that the Chair and Vice Chair of Governors would be invited to attend the next Audit Committee meeting at which the external auditors would be presenting their annual findings.

6. RISK MANAGEMENT

6.1 Risk Management Policy *(previously circulated)*

The Vice Principal presented the Risk Management Policy and confirmed that only minor revisions had been made since the last review.

She explained that in order to align the College's risk management cycle with the quality cycle, the annual review and preparation of the Risk Register would be undertaken in November and reported to the Committee at its next meeting. This would allow for the completion of the annual self-assessment review (SAR) and performance management processes which, in turn, would inform the compilation and scoring of the Risk Register.

The Vice Principal confirmed that Risk Management would be subject to internal audit this term in line with the approved internal audit plan.

The Committee **recommended approval** of the Risk Management Policy to the Full Governing Body.

ACTION – Clerk to put Risk Management Policy on next FGB agenda for approval.

Michelle Dutton joined the meeting at 9.20am and offered apologies for her late arrival.

6.2 Risk Management Action Plan *(previously circulated)*

The Vice Principal presented this report which incorporated a review of risk management for 2020-21.

The following points were highlighted:

- The full Risk Register was managed on an operational basis by the Corporate Management Team (CMT). The key risks in the action plan were those upon which the Full Governing Body would require assurance over the systems of internal control in place to mitigate these risks.
- The action plan was updated as risks changed throughout the year.
- There had been no change to the two contingent risks arising from the priority list:
 1. Successfully manage the college through the pandemic
 2. Maintain financial stability

and no risks were currently considered to be significant.

- A revised Risk Register reflecting 2021-22 annual targets would be presented to the next meeting.
- An annual review of how risks had been managed during 2020-21 was provided. All risk mitigation measures had been successfully implemented.

The Committee:

- **approved** the Risk Management Action Plan, and
- **noted** the review of risk management for 2020-21.

7. COLLEGE MANAGEMENT REPORT

7.1 College update on previous recommendations and actions taken *(previously circulated)*

The Vice Principal provided a comprehensive progress report on all the recommendations made by the Internal Auditors in respect of the Estates Management and Student Experience audits that had taken place during 2020-21. The Clerk provided an additional progress report in relation to all the recommendations made by the Internal Auditors in respect of the Corporate Governance audit that had taken place in May 2021.

The reports and associated commentary confirmed that the College had completed a number of the recommendations and work was on-going on those not yet fully completed.

The Committee **noted** the progress reports.

8. SECTOR UPDATE

8.1 Presentation by the Internal Auditor

Due to the absence of the Internal Auditor, this item of business was not considered.

9. FUTURE AGENDA ITEMS

9.1 To consider topic areas for future discussion

No areas were highlighted.

10. CALENDAR OF BUSINESS 2021-22

10.1 Schedule of Governing Body and Committee Business 2021-22 *(previously circulated)*

The Clerk presented this schedule of business for the governing body and its committees for the academic year ahead. One of the Audit Committee's key functions was to assess and provide the Governing Body with an opinion on the adequacy and effectiveness of the College's assurance arrangements, assurance over sub-contracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets. Members considered the document and confirmed its contents.

The Committee **approved** the Calendar of Business 2021-22.

11. COMMITTEE EFFECTIVENESS

11.1 Audit Committee Cycle of Business *(previously circulated)*

The clerk presented this document to Committee members for feedback and suggested that it would serve a number of purposes linked to transparent and accountable governance, such as:

- governor induction aid for new members of the board and Committee
- business continuity aid in the event that clerking services get disrupted in the future
- accessible means by which the business of the Committee can be reviewed, revised and made more efficient in response to internal and external needs.

Discussion ensued and governor questions/comments were invited.

Q – Would the cycle of business documents for all committees be shared with all governors?

A – Yes, once agreed the cycles of business for all committees would be uploaded onto Connect for all board members to access.

The Committee **noted** the contents of the document and thanked the clerk for its preparation.

11.2 **Audit Committee Terms of Reference** (*previously circulated*)

The clerk invited Committee members to conduct an annual review of the current Terms of Reference to determine whether these remained fit for purpose. Final approval of any suggested amendments would sit with the Full Governing Body.

The Committee **agreed** that its current Terms of Reference did not require any revision.

11.3 **Review of Audit Committee's Key Performance Indicators (KPIs) 2020-21** (*enclosure*)

The clerk advised governors that the Committee was required to review its own performance annually and presented an analysis of performance against agreed KPIs from the previous academic year.

It was noted that all KPIs had been met with the exception of KPI 3 (Risk Management Policy). Whilst the Committee had approved the Risk Register and Risk Management Action Plan and had received termly risk management reports, review and approval of the Risk Management Policy had not taken place during 2020-21. This had, in part, been due to the lack of a permanent clerk during this period. A review of the policy had been conducted under item 6.1 of this meeting.

Governors **noted** and **agreed** the analysis report on KPIs for 2020-21.

11.4 **Approval of Audit Committee's Key Performance Indicators (KPIs) for 2021-22** (*previously circulated*)

The clerk recommended some changes to the KPIs for the current academic year. It was suggested that KPI 1 be amended to refer to the 'effectiveness' of the Committee and the actions required under this KPI be strengthened to

include an annual assessment of members' skills and knowledge and an annual training and development plan.

The Committee **approved** the key performance indicators for 2021-22 as presented by the clerk.

11.5 **Review of Audit Committee Skills Analysis and Training Plan** (*previously circulated*)

The clerk presented an anonymised analysis of the most recent skills audit responses for Audit Committee members, collated in September 2021. For comparison, an analysis of skills audit responses from 2020-21 was also presented. Reference was made to the requirements set out at paragraphs 29 and 30 of the Post-16 Audit Code of Practice and members were invited to consider the areas highlighted in the skills analysis and clarify any specific training or support that might be required.

It was explained that the College would be subscribing to the Education and Training Foundation (ETF) Governance Development Programme which would provide governors with access to a range of learning opportunities and resources that could be accessed according to individual need.

In addition, bespoke training could be provided by the Internal Auditor should this be required. A training session on the 'Roles and Responsibilities of the Audit Committee and the Role of Internal Audit' had been scheduled to take place prior to the meeting and would be re-arranged for a later date. In the meantime, it was suggested that the slides for this training session be circulated to members.

A discussion ensued and the Chair suggested that members highlight emerging training needs on an ongoing basis at the beginning of each meeting.

The Committee **noted** the contents of the report and **agreed** to:

- review the training opportunities available as part of the ETF Governance Development Programme and access these as required
- consider whether additional, bespoke training may need to be arranged.

ACTION – (a) review ETF Governance Development Programme and access training as required

(c) consider whether any further training is required

(c) circulate training slides.

12. **ANNUAL REPORT**

12.1 **Audit Committee Annual Report 2020-21** (*previously enclosed*)

The clerk advised that it was a statutory requirement to produce an Audit Committee Annual Report and referred members to paragraph 30 of the Post-16 Audit Code of Practice. The draft report had been prepared by the clerk in consultation with the Chair of the Audit Committee. Responsibility for the content of the report rested with the Audit Committee and members confirmed that no amendments were required.

The Committee **recommended the approval** of the Audit Committee Annual Report 2020-21 to the Full Governing Body.

ACTION – Clerk to add Audit Committee Annual Report to FGB agenda.

13. ANY OTHER BUSINESS

None

14. DATE OF NEXT MEETING

Tuesday 23 November 2021 at 9am via Microsoft Teams.

The Chair thanked all members for their attendance and contribution.

The meeting was brought to a close at 9.45am.

Signed by the Chair: _____

Handwritten signature of Andrew Jones in black ink, written over a horizontal line.

On this day: _____ 23 November 2021 _____