



**MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 24 SEPTEMBER 2024
AT 10.00 AM, IN THE BOARD ROOM, THE ROUNDHOUSE, DCG**

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Present: Andrew Dymond (Chair), Stuart Ellis, Rosslyn Green

In attendance: Jo Clifford (CFO), Michael Ford (Corporate Services), Heather Kelly (DCEO),
Claire Love (FD), Cheryl Tacchi (DPO),
Jonathan Creed (ICCA – Internal Auditors)
Gareth Jones (RSM – External Auditors)
Rose Matthews (Clerk)

PART ONE - GENERAL MINUTES

01/24-25 APOLOGIES FOR ABSENCE AND INTRODUCTIONS

There were no apologies for absence.

02/24-25 DECLARATIONS OF INTEREST, CONFIRMATION OF ELIGIBILITY AND QUORUM

All members were eligible and the meeting was confirmed to be quorate. There were no new declarations.

03/24-25 FRAUD AND IRREGULARITY

There were no instances of fraud or irregularity to report to date for the year.

04/24-25 MINUTES OF THE PREVIOUS MEETING

The External Auditors advised of an alteration to the minutes with regards to materiality, which should read 2-3%.

RESOLVED: The minutes of the meeting held on 18 June 2024 were formally approved subject to the aforementioned change.

05/24-25 MATTERS ARISING

58/23-24 The Internal and External Audit Recommendations Report had been updated now the new Apprenticeship Manager was in place.

06/24-25 INTERNAL ASSURANCE: CAPITAL STRATEGY AND PROJECT GOVERNANCE

Jonathan Creed presented the report on Capital Strategy

	Action	Date

and Project Governance.

The scope was to provide assurance the College had adopted a sufficiently robust approach to capital planning and prioritisation, to ensure that the resultant expenditure met the needs of the college and its key stakeholders.

The report provided a substantial audit conclusion with three advisory recommendations.

The Chair asked if £15m worth of grants in relation to capital, how much was audited. The CFO explained monthly returns were prepared by the College and were monitored by the ESFA. They did oversee, but did not carry out a full audit. There were different terms for different grants.

The DCEO explained there had been onsite scrutiny from the DFE in relation to the IoT. Some of the grants would be reporting on savings as a result of some of the spend.

RESOLVED: The Committee accepted the Capital Strategy and Project Governance Report.

07/24-25 INTERNAL ASSURANCE: ANTI-FRAUD AND CORRUPTION CONTROLS

The Internal Audit Manager for ICCA presented the report on Anti-Fraud and Corruption Controls.

The scope was to provide the College with an independent assurance opinion that its approach to fraud prevention, detection and investigation was comprehensive.

The report provided a substantial audit conclusion with two advisory recommendations. This was in response to the ESFA's revision of the Post-16 Audit Code of Practice around fraud prevention.

The ESFA said colleges should include is a fraud loss measurement exercise, but these are rare in the FE sector and that was included as an advisory to indicate the College did not have one in place.

RG asked the Internal Audit Manager if he had seen a real life fraud loss measurement plan. He had not, the CFO said she could look, but there was not much out there. The Chair suggested there was better things to spend SLT's time on.

RESOLVED: The Committee accepted the Anti-Fraud and Corruption Report.

08/24-25 INTERNAL ASSURANCE: FOLLOW-UP

Jonathan Creed went onto present the Follow-up Report.

This was to provide an independent assurance opinion that progress with implementing previously agreed recommendations was satisfactory in the context of ensuring that there was no significant risk to the College being able to meet its strategic aims.

The report provided a substantial audit conclusion.

88% recommendations were found to be fully implemented and 12% partially implemented. The one partially implemented referred to setting targets and monitoring staff utilisation which would be included in the 2024-25 curriculum planning.

The Chair said one report was left on mock funding and he asked if that was likely to be reported on time. The testing had been done over the summer. The IA Manager explained it was better to carry out as late as possible as the ILR is closing, but then there are other challenges, such as the statutory audit in this case – which had to take priority. This would be available for the next meeting.

RESOLVED: The Committee accepted the Follow-up Report.

09/24-25 EXTERNAL ASSURANCE: EXTERNAL AUDIT UPDATE

The External Auditor, Gareth Jones, provided a verbal update. The External Audit Plan had been presented at the last meeting. His team had been liaising with the Director of Finance and the CFO and everything appeared on track. There would be more detail required in relation to finalising the Johnson Building but nothing to report at this stage.

RESOLVED: The Committee accepted the verbal feedback on the External Audit.

The Chair asked if anything had been heard back from the OFS following their audit and if that would impact the External Audit. The EA explained it would not from his perspective. The CFO explained all of the issues raised by the OFS audit had been rectified and the data for 2023-24 had been redone based on their findings.

The Chair also raised in terms of going concern that any early notification of support letter for subsidiaries would be beneficial. GJ said the College did not need a support letter for the subsidiaries – this requires the consent of the ESFA. It was felt the contract provided the necessary support.

10/24-25 DRAFT REGULARITY SELF-ASSESSMENT CHECKLIST

The CFO presented the draft Regularity Self-Assessment Checklist and highlighted the key changes. It was noted any actions in terms of the external governance review had

been captured in consultation with the Clerk to the Corporation.

All the questions had been answered competently and the CFO was satisfied with all the controls.

Once this draft had been considered by the Committee this would then be passed over to the auditors as part of their audit with a view to presenting with the final Financial Statements in December.

The Chair asked if the Internal Controls section on page 20 could include the role each committee has in scrutinising their relevant risk and on page 31 adding in the follow up meeting with the External Reviewers. The Clerk would liaise with the Director of Finance and CFO to update.

Clerk

26/11/24

RESOLVED: The Committee approved the draft Regularity Self-Assessment subject to the revisions proposed by the Chair.

11/24-25 STRATEGIC RISK REPORT

Michael Ford (MF) presented the latest Risk Management Report and updated Register.

There were 25 risks under review on the Corporate Risk Register, with three rated as high following preventative controls. These related to failure to attract high calibre personnel, inflationary pressures and failure to achieve financial targets.

Ongoing litigation was summarised. There was no significant issues relating to safeguarding, health and safety or Prevent. **The Chair said there had been some late approval requests which did not form part of the committee/Corporation cycle.**

The DCEO explained they were not late but dictated by the funding bodies. She said it was difficult to schedule those meetings as there were so many capital grants and the College was reacting to the requirement for approval. Approval can only be sought when the grant letter was received.

The Internal and External Recommendations Monitoring Report was presented with 9 actions completed and 14 ongoing.

RG questioned the Internal and External Recommendations Report and that some recommendations were amber and some green with the same date for completion. It was explained the sign off date was when it was submitted to the SLT Risk meeting. Once completed it is turned to green.

The Chair said it was hard to identify if any had been delayed. He said if there was movement in the dates it would be good to flag that on the report with another box for slippage.

CFO

26/11/24

The Chair added there were some actions in amber, and asked if the College were comfortable with the External Audit taking place if there was sufficient time to sign these off in November.

It was confirmed the OFS will be signed off and a couple were scheduled for Easter time, but the majority of the November ones were linked to the OFS.

The Director of Finance explained the tax review will not be completed by November and the deadline was to scope the type of review that was going to take place.

RG said some of the actions at the end are relating to the external audit compliance plan from last year. It was confirmed these were completed and should have been closed off.

The Committee were informed that Michael Ford would be handing over risk to the CFO effective following this meeting. Thanks were paid by all members to Michael who had extensively developed the risk management framework during his time working with the committee.

The Chair asked the CFO if she had capacity. She explained she had capacity to pick up and the DCEO said this had been planned for some time.

RESOLVED: The Committee accepted the risk register, discussed in detail, ahead of presentation at the Corporation.

12/24-25 POLICY REVIEW

A full review of the Data Protection Policy, IT Security Policy and Risk Management Policy had taken place. There were no changes proposed. Therefore, the policies were carried over for a further year.

**RESOLVED: The Committee accepted the:
Data Protection Policy
IT Security Policy
Risk Management Policy reviews**

13/24-25 AUDIT COMMITTEE SELF-ASSESSMENT

The Clerk had carried out a self-assessment exercise. Since the report had been written the response rate had increased to 100%.

The self-assessment was overall positive, with three 'maybe' responses explored.

One member raised the number of acronyms in a report and would discuss with the Clerk outside of the meeting.

The other two points were responded to in the report. **Members questioned the anti-fraud and corruption training and asked if the Flicker training had been started.** The training had been delayed but would be rolled out over the next month. There had been other training for the finance team from Lloyds and Barclays so they were up to date with any risks.

CFO/FD 04/12/24

One item flagged for attention was training budget managers.

CFO/FD 04/12/24

RESOLVED: The Committee discussed the self-assessment and accepted the report.

14/24-25 AUDIT COMMITTEE TERMS OF REFERENCE REVIEW

An annual review of the Audit Committee Terms of Reference had been undertaken, reviewing against the updated Post-16 Audit Code of Practice.

RESOLVED: The Committee recommended the terms of reference for approval at the next Corporation meeting.

Chair 21/10/24

All DCG officers left the meeting.

Prior to the confidential session, Governors met in private with the representatives from ICCA and RSM.

Finished at 10.45 am