

**Minutes of the Audit Committee Meeting
held on 1 December 2021 at 5.30pm via video conference**

Present:	Kevin Moss Andrew Thomas Janet Dean John Ennis Anna Entwistle	Chair External Governor External Governor External Governor Co-opted Governor
In Attendance	Lee Probert David Hawkins Catherine Duro Andrew McCulloch Richard Lewis	Chief Executive and Principal Vice Principal, Finance and Professional Services Interim Director of Governance TIAA RSM
1.1	Apologies for Absence / Declarations of Interest	Action
	Apologies for absence were received from John Ennis. There were no declarations of interest.	
1.	Minutes of Previous Meeting – 21 June 2021	
	The minutes of the meeting held on 15 September 2021 were reviewed. <i>The Committee resolved to approve the minutes.</i>	
2.1	Matters Arising	
2.1	Action Summary All due actions were complete.	
2.2	Any other matters There were no other matters arising.	
3.	Statutory and Regulatory Compliance	
3.1	The Committee was assured that there were no disclosures of breaches of law, regulations, fraud and related party transactions.	
4.	Corporate Governance and Assurance	
	4.1 GDPR Compliance Annual report The Committee received the annual report, with the assurance that a named Data Protection Officer was in post. The Committee was assured that there had been no reportable breach during 2020/21 and all subject access requests had been appropriately responded to. The Committee challenged progress against the internal audit actions and received a commitment that these would be	

	<p>addressed by the permanent post holder during the spring term. (Action)</p> <p>Resolved: that the report be accepted.</p>	DoG
5.	<p>Internal Audit</p> <p>5.1 2020-21 Internal Audit Recommendations Report and Implementation</p> <p>The Committee received the report and were reassured to note that all 2019-20 actions were complete and 16 of the 19 actions in 2002-21 were also complete with activity planned against the remaining 3.</p> <p>The auditors confirmed that there were no matters of limited assurance or where no assurance could be given. The auditors advised that they were satisfied that in the areas audited York College had appropriate risk management, governance processes and controls in place.</p> <p>TIAA's independence was confirmed.</p> <p>RSM confirmed that it was a good report for them to take account of.</p> <p>5.2 Internal Audit Plan</p> <p>The Committee received the internal audit plan for 2021-22. The key priorities, and the rationale behind them were highlighted and explained to governors.</p> <p>The Committee was confident in the coverage as it triangulated well with risks discussed in the Finance committee the previous week. This connectivity and joined up thinking were agreed to be very positive for the college.</p> <p>The Committee was assured that areas had been proposed where it was hoped improvements could be identified through positive recommendations beyond clear assurance. This transparent approach was welcomed.</p>	
6.	<p>External Audit</p> <p>2020-21 Financial Statements Audit</p> <p>RSM presented their report to the Committee highlighting the key matters for governors' attention.</p> <p>The delay caused by the wait for confirmation of the Adult Education Business Case, was explained to governors. The College was pleased to confirm that the college had been allowed to retain the shortfall, which led to an amendment to ensure this funding was included. The College was also in the middle of an</p>	

	<p>ESFA funding audit at the time of meeting, so any changes found would need to be made in advance of the Board Meeting.</p> <p>The Committee were advised that the deadline for the funding audit is the 30th January and these final audited accounts and assurance cannot be signed off until the funding audit is reported on. The ESFA have confirmed an extension to the deadline to submit the audited statutory accounts to align with the funding audit deadline.</p> <p>RSM confirmed a draft report was being presented.</p> <p>RSM took the committee through the audit findings.</p> <p>The Committee was assured that there were no material statements and no unadjusted statements.</p> <p>Governors were informed that the ESFA no longer provide funding assurance, so a further audit had been required on funding, the ILR, DSAT and learner records. No errors had been found. No funding was at risk. The acronyms were clarified.</p> <p>All controls had been tested and journals were supported by appropriate information. A full positive report.</p> <p>Assumptions have been benchmarked and are appropriate for the college and the sector. Disclosures were also appropriate.</p> <p>Cash-Flow and presented forecasts had been reviewed, and the auditors were pleased to agree with the college conclusion that the college was a going concern.</p> <p>Further detail was provided on the recommendations from the funding Audit, which have been agreed with management and improvements will be embedded into future processes and included in the report. It was asked if the issues were comparable to the internal audit recommendations. The Committee was informed that additional matters had been raised, RSM are experienced ESFA auditors and apprenticeships often raise issues due to the complexities. The Committee was assured that the Q&C Committee were also seeking bespoke reports on apprenticeships to increase scrutiny of quality.</p> <p>A governor challenged if apprenticeships were under control. It was informed that a detailed action plan was in place, reviewed fortnightly, it was a priority focus for development.</p> <p>All present confirmed they were not aware of any fraud against the organisation.</p> <p>Attention was brought to the unqualified audit opinion.</p>	
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	Resolved that the DRAFT document be recommended to the Board.	
7	Regularity Audit	
	The Committee received the report and was assured that the regularity audit raised no issues of noncompliance.	
8	Letters of Representation	
	<p>It was confirmed that the letters of representation were standard with no additions.</p> <p>Resolved: that the letters be accepted and recommended to the board for signing.</p>	
9.1	Financial Statements Extract	
	<p>The Committee was informed that The Adult Education Budget changes were reflected in the accounts presented.</p> <p>A positive picture against budget, the balance sheet, and a healthy cash position were reported. It was confirmed the statements had been scrutinised by the F&GP Committee. A minor amendment was agreed to ensure the narrative stated no fundamental control risks were identified. (Action)</p> <p>It was asked what the donation was, it was confirmed that these were free laptops given to the college by the ESFA. It was advised these be added to the asset register as income and donated.</p> <p>It was asked why creditors had increased, detail was provided. it was confirmed this was the normal course of business and that no payments had been held back.</p> <p>The increase in staffing costs was queried and if there was a breakdown. The Committee was assured they were examined by the F&GP committee. There was an increase, but had also been an increase in income. It was explained that pay awards, incremental changes, and ongoing pay throughout the pandemic had all contributed.</p> <p>9.2 Strategic Risk Monitoring Report</p> <p>The Committee was assured the risks had been scrutinised by the relevant committees. The risks registered were deemed appropriate and all should be retained on the register.</p> <p>Questions were invited.</p>	DH
10	Committee Reports to the Governing Body	
	<p>10.1 2020-21 Audit Committee Report to the Governing Body</p> <p>The draft annual audit committee report was received.</p>	

	<p>The Committee agreed that it was an accurate reflection of the business covered.</p> <p>Resolved: that the report be recommended to the governing body.</p>	
11	Policy Reviews	
	There were no policy reviews to receive	
12	Other Matters	
	<p>12.1 Additional Services from the audit providers</p> <p>The committee was reminded that the VAT audit review (detailed in the previous meeting) had aided in the assurance provided.</p> <p>12.2 Review of Financial Statements and Regularity Auditors</p> <p>The College leadership and committee agreed that the auditors had provided a good service having worked well with managers, giving the college confidence to work transparently and seek auditor advice and support where necessary.</p> <p>12.3 Appointment of External Auditors</p> <p>The Committee were informed that RSM had initially been appointed for a 3-year term with the option for a 2-year extension. This fits within the FE Commissioner advice that auditors be reviewed and market tested every 5 years. Following the review confirming a positive service all agreed that the RSM contract should be extended for 2 further years.</p> <p>Resolved: that the Board be recommended extend the contract and appoint RSM as external auditors for 2021/22 and 2022/23</p>	
13	Key Meeting Outcomes	
	<p>Matters to report to the Governing Body</p> <ul style="list-style-type: none"> Recommended to approve the Audit Committee's Annual Report for signing by the Chair Recommended to approve the letters of representation for signing by the Chair Asked to receive for approval the financial statements and audit report - subject to no material change or further scrutiny of the impact of any material changes Recommended to approve the appointment of RSM as external auditors for 2 further years. 	
14	Any Other Business	
	There was no other business to consider	
15.	Date of Next Meeting – 9 March 2022	
Signed		

Name:	Kevin Moss (Chair)	
Date:		