

Minutes of an electronic Audit Committee (AC) Committee meeting held at 1630 hrs on 18 June 2020

Present	Dean Duffield	Mark Haydon	Mark Jackson
	Lee Kilby	Nicola Shawe (Chair)	
In Attendance	Ralph Devereux (Interim Clerk)	Lee Glover (Haines Watts)	Rachel Nichols (Acting Principal)
	Peter Walker (DP)		

STANDING ITEMS

A47/19 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

- a. Opening Remarks. The Chair welcomed all to the meeting and explained that members were attending electronically because of changes to normal process necessitated by CoVID-19 measures; discussions would be strictly to agenda items to minimise meeting time and where decisions were required each Member would indicate individually using the "Google Meet" facility, which would be visible to all members. **(Action 1)**
- b. Opening Actions. The meeting was quorate, no notice had been received of any Member becoming ineligible to hold office and there had been no unregistered interests declared.
 - a. The information was noted.
 - b. Action had been identified. (Register at 56/19)

A48/19 MINUTES AND ACTIONS

- a. The Minutes of the last meeting (Part 1&2) were confirmed for electronic signature. **(Action 2)**
- b. Matters Arising from the Minutes. There were no matters arising.
- c. Action Register; actions from the previous meeting were considered.

Please refer to referenced Minute for further detail		Status
Action 1	32/19a. Meeting process clarified.	Completed
Action 2	33/19a. Last minutes (25.11.19) confirmed for signature.	
Action 3	34/19a. PRCV recommendations to inform subsidiaries.	
Action 4	34/19f. Amended Satisfaction Survey to be circulated.	
Action 5	35/19. IAS Report on iMET received and noted.	
Action 6	35/19 Part 2.	
Action 7	36/19a. QM planning brief approved.	
Action 8	36/19b. UCP scoping meeting tba between IAS/Principal.	
Action 9	36/19b. UCP planning brief provisionally approved.	
Action 10	36/19b. UCO IAS assignment post ARU withdrawal.	
Action 11	38/19. Ext Audit tender timeline to be extended.	
Action 12	38/19. Tender invitation weightings to be amended,	

- d. Urgent Business. There was no urgent business requested.

- a. The information was noted.
- b. Action had been identified. (Register at 56/19)

BUSINESS ITEMS (Papers had been posted to Board IQ in advance)

Unconfirmed Minutes Due to Merger. RD.

A49/19 INTERNAL AUDIT SERVICE (IAS) COLLEGE

- a. Progress Report. Recommendations re iMET had not been implemented. The draft business plan and loan request had been considered and rejected by the Corporation at the meeting held on 23 April, subsequently PRC and Cambridge Regional College (CRC) had decided that iMET should be wound up as a solvent company and the losses equally shared. The iMET Board determined on 4 March to cease trading and redundancy notices had been sent to all staff. There were no outstanding recommendations.
- b. Block Three. (Quality Management). The scope, approach, risk and objectives of the fieldwork assignment were outlined at the start of the Report and informed members' considerations: Control Design and Effectiveness had both been graded as "good" with Green "substantial" assurance that "the controls upon which the organisation relies to manage risk material to the achievement of the organisation's objectives are suitably designed and effective" had been given and that was welcomed. There had been; two "low" priority recommendation (associated with improving the source document and focusing information into a single reference), which had been accepted and would be incorporated into the Group processes to become effective in the next academic year. There was some discussion whether the comments were justified and it was agreed that they should remain extant. Members took comfort from the positive report on this critical area.
- c. Satisfaction Survey (Managers). Managers of areas that hosted IAS assignments assessed the experience, the maximum numerical score was four points, supplemented by a written assessment. The findings, fully detailed in the accompanying paper were discussed; all were accepted but it was noted that the question re "whether the recommendations were constructive..." had been scored at two points reflecting the discussions above.
- d. Satisfaction Survey. (Audit Co-Ordinator (ACO)). The ACO had recorded maximum points with no comments; an excellent result.

The information was received and noted.

A50/19 EXTERNAL AUDIT TENDER

The resignation of the External Auditors (BDO) had prompted a tender exercise to select a successor, the process, conducted jointly with New College Stamford (NCS) made use of the FE Sector owned "Crescent Purchasing Consortium" (CPC) which were fully compliant with all statutory requirements and had a portfolio of 12 highly capable national and regional audit firms, all with the necessary experience. The college were full members of the organisation and had received reliable and sound service in the past. The tender was for appointment as auditors for both Colleges for the current year and for 2 years as the auditors of the IEG, with an option to extend for a further 2 years. Nine firms, listed in the accompanying paper had been invited to tender and only RSM had submitted a proposal (attached), which had been considered by a panel comprising members of PRC and NCS Audit Committee (AC) names listed in the accompanying papers. The panel had met electronically on 29 May and received an excellent presentation from RSM resulting in a unanimous recommendation for appointment as external auditors for:

- a. PRC & NCS for the current year (ending 2020);
- b. IEG for the subsequent 2 years; and
- c. An option to extend for a further 2 years.

The associated fees, (excluding VAT & travel costs) for PRC was £36k and for the IEG £52.5k for each contracted year. After full discussion, the Committee unanimously recommended to the Corporation and to the Merger Shadow Board (MSB) that appointment of RSM and their fees are approved. **(Action 3)**

- a. **The information was noted.**
- b. **Action had been identified. (Register at 56/19)**

A51/19 RISK REGISTER

The 8 Primary Risks included in the Register had been reviewed by the Corporation on 23 April 2020; since then, one, risk 236 (failure to complete the merger), had been downgraded and there were now 7 Primary Risks. Risk 258 (Covid-19) had been updated to include the draft reopening framework, that will be considered at the next Corporation meeting. The Primary Risks were noted and endorsed. **(Action 4)**

- a. **The information was noted.**
- b. **Action had been identified. (Register at 56/19)**

A52/19 FRAUD

There had been no incidents of attempted or actual fraud, members were reassured that staff awareness of possible attempts was high and was regularly checked and updated. Details of incidents in the sector were widely shared.

The information was noted and received.

A53/19 GENERAL DATA PROTECTION REGULATION (GDPR)

There had been no notified breaches of the GDPR.

The information was noted and received.

A54/19 URGENT BUSINESS

There had been no urgent business requested.

A55/19 DATES OF NEXT MEETING

The next meeting would be at 1630 on 18 June 2020.

F56/19 ACTION REGISTER

Please refer to referenced Minute for further detail		Resp	Date
Action 1	47/19a. Meeting process clarified.	Chair	wie
Action 2	48/19a. Last minutes (09.04.20 confirmed for signature).	Clerk	
Action 3	5019. PRC recommended external auditors.	Chair	29.06.20
Action 4	51/19. Primary Risks endorsed.		

Patric Devereux (Clerk) for Nicola Shawe (Chair)






AuditMinutes18.06.20Pt1RD

Final Audit Report

2021-02-11

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