

CORPORATION BOARD Audit Committee



Minutes of a meeting held online on Thursday 21st November 2024 at 6pm-8pm

Present

Nicolas Pages (Chair)
Ben Haxton
Amanda Tilley

In attendance

Mark Lay, *Finance Director*
Olivier Cognard, *Vice Principal of Funding, Planning and Systems Improvement*
Philip Lazenby, *TIAA*
Howard Stamp, *Clerk & Governance Advisor*
Stuart McKay, *MHA*
Alan Bark, *Chair F&GP Committee*

Governor questions are represented with bullet points, and management responses are italicized.

– **Opening Comments**

1.1 Apologies and matters to be raised under AOB

Apologies had been received from Penny Challans. There were no items to be raised under AOB.

1.2 Declarations of interest

There were no declarations of interest.

– **Minutes of the meeting held on 28 June 2024**

The minutes of the previous meeting were approved as an accurate record of the meeting held on the 28th June 2024.

– **Matters Arising, Written Resolutions & Action Points**

There were no matters arising and no written resolutions had been circulated since the last meeting. There were no actions outstanding.

4 Overview of financial statements from F&GP Chair

The Chair of the Finance & General Purposes Committee provided an overview of the financial statements to the Committee. Outlining the process that had been undertaken by the F&GP committee to confidently recommend the statements to the Audit committee and the Board for approval. The financial statements were presented as a thorough analysis of the college's financial performance demonstrating a strong cash surplus due to effective budget management and increased enrolments.

It was advised a detailed review of the statement had been undertaken by the F&GP committee meeting. The outcome of this discussion had not identified any significant matters arising. Assurance was given that the financial statements align with management's forecasts provided to the committee throughout the year.

The Chair of F&GP confirmed that the F&GP committee recommended the accounts to Audit committee.

The committee thanked the F&GP Chair and committee for the overview of the financial statements.

4.2. External Auditors' Audit Findings Report

The report was presented by Stuart McKay of MacIntyre Hudson, who gave thanks to the Finance Director and Head of Finance for the preparation of the final accounts.

It was outlined that there were no significant issues in revenue recognition, internal controls, or compliance with ESFA guidelines.

There had been some adjustments related to the RAAC building impairment, however it was noted that these were minimal with advisory notes supporting the main section of the report.

The External auditors report is able to provide assurance on cash flow management, pension liabilities, and regulatory compliance.

The committee noted and recommended the report to the Board.

4.3. External Auditor's letter of representation

The report was presented as a standard letter of representation to be included as part of the financial statements.

The committee agreed to recommend the External Auditors' letter of representation report to Board.

4.4. Draft propriety and regulatory questionnaire

The Finance Director presented the report consisting of questions provided as standard by the ESFA. The report was presented as compliant with ESFA requirements. Although updated annually, the document is reviewed by auditors but not filed with the ESFA.

The committee agreed to recommend the report to Board.

4.5. Board assessment of fraud risk

The report was presented by the Finance Director. It was highlighted again this is a standard document requested by the auditors. The committee members were assured by the report confirming no instances of known fraud.

The committee agreed to recommend the report to the Board.

4.6. Internal Auditors' annual report

The report was presented by Philip Lazenby of TIAA, highlighting key areas to bring to the committee's attention. It was noted that overall, the college has been assessed as having a

reasonable and effective risk management system, confirming a reasonable level of assurance with no priority one recommendations.

The reviews carried out throughout the year were highlighted with the recommendations brought to the committee's attention. Governance and financial controls showed marked improvements.

The committee agreed to recommend the report to the Board.

4.7. ILR Assurance Report

The report was presented by the Vice Principal of Funding, Planning and Systems Improvement, and highlighted key reviews carried out to provide assurance on controls surrounding the ILR. These reviews included a mock ESFA funding review carried out by internal auditors RSM. There are no areas of significant concern to bring to the attention of the committee.

The committee approved the report.

4.8. Draft Accounting Estimates to 31 July 2024

The report was presented by the Finance Director. The reason for this report is to give governors assurance of the estimates provided in the accounts. The fixed asset threshold was discussed, with members noting that larger colleges set thresholds between £5,000 and £10,000. It was agreed to revisit this in future policy updates.

The committee agreed to recommend the report to the Board.

4.9. Draft Financial statements

The report was presented by the Finance Director, highlighting that the statements include the formal strategic report that supports the financial statements, and includes various statements including a report on governance. The report also then includes the detailed accounts themselves. As previously discussed, this document has been reviewed by the Chair of F&GP with an overview provided to the committee at this meeting.

The committee discussed the statements and reflected on the information provided to the committee throughout the year, concluding a positive level of assurance and supported the financial statements.

The committee agreed to recommend the financial Statements to the Board.

5.0 Internal Audit Matters

5.1 Summary internal Controls Assurance (SICA) Report

The report was presented by Philip Lazenby of TIAA who highlighted key points from the report such as the summary of audits completed including Key Financial Controls. The report highlighted improvements in cash management and procurement processes.

Some older recommendations remained open but were expected to close by the next meeting. The recommendation tracker showed progress, and TIAA committed to working closely with the college to reduce outstanding actions.

There were no concerns highlighted within the report.

The summary of progress against the plan was also presented to the committee.

The committee agreed to recommend the report to the Board.

5.2 EAS Audit update

The Vice Principal of Funding, Planning, and Systems Improvement provided an update on the recent Earnings Adjustment Statement (EAS) that had taken place. It was reported the audit had resulted in a £23,000 clawback related to a software license. A £26,000 provision had already been made.

- **Are we waiting for more feedback?**
 - o *Yes, a full letter is expected soon. A verbal update will be provided at the next Board meeting.*

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Action	By Whom	Deadline
Verbal update to be added to the Board Agenda once full letter received.	OC	December 2024

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The committee noted the report.

6. Risk Management and Seal

6.1 High level risk register review and action plan review

The report was presented by the Finance Director. presented the high-level risk register. There were no significant changes since the last report, but the underlying structure of strategies and risk registers is being reviewed.

The committee recommended the report to the Board.

6.2 Update on use of college seal and high value contracts

The report was presented by the Finance Director. This is a standard report presented to the audit committee for any high value contracts signed.

There were no questions received and the committee noted the report.

7. Annual reports and questionnaires

7.1 Value for money annual report

The report was presented by the Finance Director. This annual report demonstrates how the colleges uses public funds and therefore how the college achieves value for money throughout the year.

The report reviewed value for money initiatives, including benchmarking and cost-saving measures. The committee reflected and discussed how future efforts will focus on classroom utilisation and energy efficiency.

The committee noted the report.

7.2 Subcontracting annual report

The report was presented by the Finance Director, outlining that this annual report details any subcontracting that has taken place in 23/24 and is planned for 24/25, highlighting the need for subcontracting. It was noted there is very small subcontracting in our SEND provision and a small amount of the AEB community learning for hard-to-reach groups of which has both continued from previous years.

The committee discussed the subcontracting arrangements recognising actions from the recent Ofsted report and noting compliance with ESFA requirements and increased provision for specialist services.

The committee noted the report.

7.3 Audit Committee annual report

The report was presented by the Clerk. This annual report outlines the work undertaken by the governing body throughout the year and is submitted as part of the financial statements. The report also includes, and annual review of committee effectiveness undertaken by the NRG committee. It is included to provide assurance on the systems of governance that are in place to govern the college and audit practice. The report summarised the committee's 2023/24 activities.

The report was recommended for Board approval.

7.4 Audit committee self-assessment

The Clerk presented the paper that combined comments received from all committee members as part of the self-assessment review. There was positive discussion from the committee, and they agreed with the points raised and recognised the comments made by other comments.

Members reflected on their effectiveness but raised concerns about committee size during absences.

The committee noted the report.

8. Policies for Approval

The Vice Principal of Funding, Planning, and Systems Improvement presented the Data Protection Policy. Presenting the document as a refreshed version of the current policy of which aligns with national guidance.

The Finance Director presented the Fraud Prevention Policy and the Value for Money policy both of which were presented as refreshed versions of the current policy and remains appropriate for use by the college.

The committee recommended all three policies for approval by the Board

9. Any Other Business

There were no items raised under AOB

10. Future Business

The next Audit Committee meeting was scheduled for Thursday 13th March at 6pm via Teams

N Pages

Signature
Nicolas Pages

22/05/2025



This Document has been Signed with a **secure electronic signature** via E-Sign.

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