



## CAPITAL CITY COLLEGE GROUP AUDIT COMMITTEE: 23<sup>rd</sup> JUNE 2020

### MINUTES

<b>PRESENT</b>	Chris Hyams (Chair), Anthony Smith, Lisa Weaver-Lambert, Cosette Reczek, Paul McLoughlin, Sharon Saxton
<b>IN ATTENDANCE</b>	Rachael White, Simon Evans, Stewart Cross, Roy O'Shaughnessy, Mike Cheetham (RSM), Graham Drummond (Clerk), Derek Wilkinson (for items 1-3), Neill Scott (for items 1-3)
<b>APOLOGIES</b>	Paul McLoughlin (for lateness)

Sharon Saxton was welcomed to her first meeting.

1. **MINUTES OF MEETING HELD ON 25<sup>th</sup> MARCH 2020** **Action**  
The minutes of the previous meeting were accepted as an accurate record.
  
2. **MATTERS ARISING**  
The action tracker sheet was considered and received: The following was noted or agreed:
  - The internal audit service is currently carrying out an audit of the Group's learner number systems and will report its findings at the committee's next meeting; MC
  - The outcome of cyber security penetration tests carried out by Jisc was due to be reported to this meeting, however due to the IT department's need to prioritise the readiness of college sites for the return of staff and students it had been agreed to postpone the consideration of this item to the committee's next meeting; GD
  - With respect to a reserves policy, the Director of Financial Services has discussed this with Buzzacotts and the committee noted that the need to have such a policy is driven by the Charity Commission, which is not the regulator of FE colleges. As such, very few colleges have approved a policy and where they have, the contents are very loose. It was agreed by the committee that there was no need to have a reserves policy;
  - The annual health and safety report will come to the committee's meeting in October (with the amendment to its format asked for in October 19); DW
  - The resolution of recommendations made by Ernst & Young (EY) will be reported to the committee meeting in October. SE/RW
  
3. **HEALTH AND SAFETY**  
Due to the pandemic, buildings have been closed since the committee's last meeting and therefore the report's focus is on the Group's response to limit risk associated with COVID-19 and plans to ensure a safe return to college sites. It was noted that:
  - A summary of risk assessments associated the return to college sites was included within the report. The committee further noted that risk assessments for specialist curriculum areas across the Group have also been carried out. Details of the mitigation actions being put in place were provided within the report e.g. increased cleaning and social distancing measures. It was further noted that travel arrangements and past working practices are being reviewed with the aim of minimising risk. For example, where staff can work from home this will continue for the foreseeable future and possibly indefinitely. Options with respect to track and tracing are also being explored;
  - A review of timetables is being undertaken to minimise the amount of peak hour travel undertaken by students and staff. It was further noted that travel arrangements will need to be monitored, for example staff and students will be encouraged to walk or cycle where possible;
  - Due to the need to minimise the congregation of large amounts of people, emergency evacuation drills will be carried out by staff only;
  - Individual risk assessments are being carried on all staff to gauge whether they can return to work safely. These assessments include questions about shielding and have been based on best practice within the NHS. It was further noted that a key risk is in relation to the number of

trained first aiders who will be on site because the outcome of these risk assessments is currently unknown. Online 1<sup>st</sup> aid re-qualification training will be provided in July, however the number of 1<sup>st</sup> aid trained staff on site continues to be a key risk;

- Guidance with respect to ensuring safety at work during the pandemic has been jointly published by Public Health England and the Health and Safety Executive (HSE). Employers will be required to follow guidelines regardless of cost, or cease activity that is creating the risk. £14 million of additional funding has been provided to the HSE to strengthen its ability to enforce these guidelines.

The committee discussed the report and noted that the cost of measures to meet the additional health and safety requirements will be met within existing resources. It was further noted that there is a COVID-19 working group which includes representation from Trade Unions and meets regularly to plan the safe return of staff and students back to college sites, including the consideration of risk assessments.

#### 4. EXTERNAL AUDIT APPOINTMENT

An update report was received. At the committee's last meeting it had been agreed to run a tender process through the Crescent Purchasing Consortium (CPC) External Audit framework. This was carried out; however only two bids were received from Buzzacott LLP (the incumbent firm) and Scrutton Bland. Both firms have been interviewed, however it was decided that the market needed to be tested more and a larger number of bids was needed to make an appropriate choice.

A second tender process, using the CPC is underway with the weighting associated with price reduced to the minimum allowable, for which the deadline for the receipt of bids is this coming Friday.

It was agreed that in the event of no further bids (other than from Buzzacotts and Scrutton Bland) being received prior to the deadline, then a meeting with the Chair of Audit, the Director of Financial Services and the Chief Finance Officer is to take place, with the aim of deciding the next steps. It was also agreed that the internal audit service would be contacted outside of the meeting with the purpose of identifying any other firms (who may not be part of the CPC) who might be persuaded to submit a bid.

GD/MC

#### 5. INTERNAL AUDIT UPDATE

The committee noted that the internal audit has recently released draft reports on fixed assets and sales to cash, to the management team for comment. The funding assurance internal audit is close to completion and would be issued for comment in the near future. The reports will be considered at the committee's next meeting.

MC

#### 6. RISK

An updated risk management policy was considered and received. It was noted that only minor changes had been made. It was agreed that:

- The report is to include clarification as to how the Board assesses its risk appetite;
- The policy is to be recommended to the Board for approval

SC  
GD

An updated risk register was considered and received. It was noted that no risk has been removed from the register and that risk 5.12 'Covid-19 Disruption' had been changed to 'Covid-19 Return to Premises'. The risk associated with three areas of activity had been increased and in two areas it had been decreased, as detailed within the report.

The committee were content with the changes that had been made but were of the view that the risk associated with a further spike in the number of Coronavirus cases and this leading to another closure of colleges sites needed to be made clearer within the register.

SC

#### 7. FINANCIAL REGULATIONS UPDATE / APPROVAL

A report giving details of proposed changes to the Group's financial regulations was considered and received. These amendments were approved for the financial year 2020/21.

#### 8. ANNUAL REPORTS

The annual fraud report was received. No incidents of fraud have been reported within the last 12 months.

The annual data protection report was considered and received. It was noted that the key area of risk is with respect to cyber security, for which the committee will receive a report at its next meeting.

The annual whistleblowing report was considered and received. One case of whistleblowing had been received, the outcome of which was detailed within the report.

The annual treasury management report was received, for which the following was noted:

- The Group currently banks with Barclays and benefits from a Money Transfer Arrangement (MTA) that pools the cash within four main accounts. Until June 2020 interest earned was 0.25% on pooled balances up to £10m and interest of 0.05% on any excess. Barclays have notified the Group that this will reduce to 0.01% for all pooled balances. Barclays have also advised the Group that they intend to withdraw the MTA scheme, which is expected to remove the interest earning capacity of the accounts entirely, though no timeline has yet been defined by Barclays for this;
- A tender exercise for banking services will be carried out in the second quarter of 2020/21 financial year;
- Current cash flow forecasts indicate that the working capital of the group will not dip below £10m for the remainder of this financial year. Interest receivable from treasury and deposit activities in 2019/20 is estimated to be £55k.

**9. COMMITTEE SELF ASSESSMENT (including committee schedule review)**

Members self-assessed the committee's performance over the past 12 months and were of the view that reports and the level of detail contained within them were sufficient to enable members to perform their role. The following suggestions were made:

- Agendas would benefit from items being allocated time slots in order to manage the length of meetings better;
- Training in relation to funding would help members with their understanding of college business. The Director of Governance would look into this.

GD

**10. OFFICE FOR STUDENTS UPDATE**

A letter from the OfS was received.

**11. BOARD MINUTES**

The board minutes from 3<sup>rd</sup> April and 22<sup>nd</sup> May were received.

**12. AUDIT COMMITTEE TERMS OF REFERENCE**

The committee's terms of reference were noted.

*Dates of future meetings:*

*Wednesday 7<sup>th</sup> October 2020 at 4pm*

*Monday 16<sup>th</sup> November 2020 at 5:30pm*

*Monday 22<sup>nd</sup> March 2021 at 6pm*

*Monday 21<sup>st</sup> June 2021 at 6pm*

Signed as a correct record: \_\_\_\_\_

Chris Hyams, Chair