

# QUEEN ELIZABETH SIXTH FORM COLLEGE

## Minutes of the Meeting of the Audit Committee held on Thursday 17<sup>th</sup> November 2022

Present	Mr I Clyde, Chair Mrs E Chawner Mr S Heath Mrs J Pan
In attendance	Ms C Dalrymple, Wylie and Bisset, External Auditor ( <i>via Teams</i> ) Mr T Fisher, Principal Mr L Glover, Haines Watts, Internal Auditor ( <i>via Teams</i> ) Mrs L Marron, Vice Principal – Finance, Resources & information Mrs N Wade, Acting Clerk

Ref:		Actions
11/22	<u>Appointment of Committee Chair</u> The Committee unanimously <b>approved</b> the appointment of Mr Clyde as Chair of the Audit Committee for this meeting, which is to be Mr Clyde last meeting as a Member of the Committee.	
12/22	<u>Declarations of Interest</u> There were no declarations of interest.	
13/22	<u>Apologies</u> None	
14/22	<u>Minutes of the Meeting held on 23<sup>rd</sup> May 2022</u> As the only Member of the Committee present at the last meeting, Mr Clyde confirmed that the minutes are a true record and the Committee <b>approved</b> the minutes for signing by the Committee Chair.	
15/22	<u>Matters Arising</u> There were no matters arising that were not to be dealt with on the agenda. The Clerk confirmed that the actions arising from the previous meeting have been completed.	
16/22	<u>Internal Audit Reports and Annual Report 2021-22</u> Mr Glover provided an overview of each of the following Internal Audit Reports:  <u>HR Health Check</u> <ul style="list-style-type: none"> <li>• Substantial assurance</li> <li>• One green (desirable) area for improvement and one blue (good practice)</li> </ul> <u>Payroll &amp; Benefits</u> <ul style="list-style-type: none"> <li>• Substantial assurance</li> <li>• Two green (desirable) areas for improvement</li> </ul>	

Ref:		Actions
	<p>Mr Clyde questioned the use of a secure portal for sharing information with the College's payroll provider and if changes to staff details were considered as part of the audit. Mrs Chawner asked if employees have the autonomy to amend their own bank details and if these changes are flagged up anywhere. Mr Glover confirmed that payroll data does go through a secure portal and that employees are able to update their own bank details; changes such as these are flagged up and the auditor is satisfied with the arrangements currently in place.</p> <p><u>Quality Management</u></p> <ul style="list-style-type: none"> <li>• Substantial assurance</li> <li>• Three green (desirable) areas for improvement</li> </ul> <p><u>Follow Up</u></p> <ul style="list-style-type: none"> <li>• Adequate assurance</li> </ul> <p>Mr Glover recommended that all outstanding actions are brought together into one single tracker document covering Internal Audit, External Audit and others. Mr Heath asked if the plan is to now have one single tracker and Mrs Marron confirmed that it is. There are to be two sections on the tracker, one containing completed actions and one containing actions still in progress.</p> <p>Mr Clyde asked when the tracker will be ready and Mrs Marron confirmed that a full review of actions will be completed in the new year to ensure that all are included in the new tracker.</p> <p>Mr Glover is to share a template for the tracker.</p> <p>Mrs Pan supported the recommendation to extend the policy on using long passphrases, rather than short, complex passwords, to students as well as staff, commenting that the longer the password, the more difficult it is to hack. Discussion took place regarding passwords and whether they should be updated frequently. Mr Glover confirmed that the current best practice is to have one long passphrase, which is more difficult to hack than a short password that requires regular updating, and to report any breaches in security. Mrs Marron requested that Mr Glover share any guidance on implementing this system for students.</p> <p><u>Annual Report</u></p> <p>Mr Glover reminded the Committee that overall conclusions as to the College's adequacy and effectiveness are either adequate and effective, or inadequate and ineffective. Mr Glover confirmed that, based on the reviews undertaken during the year, it is the opinion of the Internal Auditor that Queen Elizabeth Sixth Form College has the following:</p> <ul style="list-style-type: none"> <li>• adequate and effective risk management</li> <li>• adequate and effective governance</li> <li>• adequate and effective control processes</li> </ul> <p>The Committee <b>accepted</b> all of the Internal Audit Reports and Annual Report.</p>	<p>LJM</p> <p>LG</p> <p>LG</p>

Ref:		Actions
17/22	<p><u>Progress on Outstanding Internal Audit Recommendations</u></p> <p>Mrs Marron confirmed that the format of the tracker is to be reconsidered as part of the follow-up activities and that she has reviewed the timescales set for completion. She referred to the completed action (number 13), stating that the College has an open and transparent culture where Governors are free to come into the College at any time.</p> <p>Mr Fisher added that the College’s ‘open door’ policy enables Governors to glean a more realistic insight into College life than formal, scheduled visits would offer. Mr Heath added that he recommends such visits to all Governors and that being accompanied on the visits by a member of College staff is very useful.</p> <p>Mrs Chawner asked if there is any guidance for completing such visits. Mr Fisher confirmed that Governors are accompanied on their visits and Mrs Wade added that Governors are asked to complete a feedback form and that visits are recorded on Governors’ development logs. Mr Clyde added that he produced a ‘heat map’ on previous visits and in his role as EDI Link Governor, he regularly meets with the College’s Anti-Racism group and LGBTQ+ group, providing excellent insight into College life. Mr Pan added that she has found talking directly with students to be particularly valuable.</p> <p>The Committee <b>accepted</b> the <i>Progress on Outstanding Internal Audit Recommendations Report</i>.</p>	
18/22	<ul style="list-style-type: none"> <li>• <u>Financial Statements and Regularity Audit Management (External Audit) Report 2021-22</u></li> <li>• <u>Management Representation Letters</u></li> <li>• <u>Annual Report and Financial Statements for the Year ended 31 July 2022</u></li> </ul> <p>Ms Dalrymple presented a verbal update on the <i>Financial Statements and Regularity Audit Management Report 2021-22</i>, which had been shared in a draft version with Mrs Marron prior to the meeting, and added that it is very much in line with previous reports, although the Annual Accounts are not as far on as they had been at this point in previous years. Ms Dalrymple confirmed that they expect to issue an unmodified audit opinion; that there are no issues to report in relation to their regularity opinion and governance and fraud arrangements are all positive. There are two recommendations noted within the management letter but satisfactory responses have been received for both points.</p> <p>Ms Dalrymple referred to the two letters of representation contained within the Annual Report and confirmed that there are no concerns with the adjusted and unadjusted errors highlighted in the Letter of Representation and that nothing has been tailored on the Letter of Representation - Regularity. She added that the risk and regularity review was satisfactory.</p> <p>Ms Dalrymple confirmed that there are a few minor areas to complete on the Annual Accounts. Mrs Marron apologised for the delay in completion due to being new in post and added that all actions are now complete and the accounts have been returned to Wylie and Bisset. She added that the end of year surplus is actually a deficit in the accounts due to pension fund adjustments.</p> <p>Mr Clyde asked when the Annual Accounts are likely to be completed and Ms Dalrymple confirmed that there should be a quick turnaround. Mrs Chawner asked if the College is in</p>	

Ref:		Actions
	<p>line with its budget and when they would be able to scrutinise the data. Mrs Marron confirmed that the outturn balance is more favourable than the 2021/22 budget and that completed versions of the accounts documents are to be shared with the Committee for review, approval and recommendation to the Board ahead of the next Board meeting on 8<sup>th</sup> December.</p>	<p><b>LJM/ NJW</b></p>
<p>19/22</p>	<p><u>Internal Audit Strategy 2022-23</u> Mr Glover provided an update on the previous version of the Strategy that had been shared and put it to the Committee to consider whether the audits proposed are in the right areas and if it is happy with the scope of work set. Mrs Chawner and Mr Heath requested that the Committee refrain from approving the Strategy until the External Audit reports have been received in full and all Members of the Committees were in agreement.</p> <p>The updated version of the Internal Audit Strategy is to be shared with the Committee for review, approval and recommendation to the Board ahead of the next Board meeting on 8<sup>th</sup> December.</p>	<p><b>LJM/ NJW</b></p>
<p>20/22</p>	<p><u>Withdrawal of the College Management Team</u> Mr Fisher and Mrs Marron left the room.</p> <p>Mr Clyde asked Ms Dalrymple and Mr Glover if they had received full cooperation and if they had encountered any issues with the completion of the audits.</p> <p>Ms Dalrymple stated that progress had been slower than in previous years and that they were not as far along the process as she would like to be, but that this is due to the timeline and Mrs Marron being new in post. Ms Dalrymple confirmed that Mrs Marron has got up to speed very quickly.</p> <p>Mr Glover confirmed he had no issues to report and he had held meeting with Mrs Marron to help support the process with Mrs Marron being new in post.</p> <p>Mr Fisher and Mrs Marron re-entered the room. Ms Dalrymple and Mr Glover left the meeting.</p>	
<p>21/22</p>	<p><u>Annual Report of the Work of the Audit Committee 2021-22</u> Mrs Wade introduced the <i>Annual Report of the Work of the Audit Committee 2021-22</i> and explained that the format of the report is in line with guidance provided in <i>The scope of work of audit committees and internal auditors in college corporations</i> (Department for Education, 2022). As the only Member of the Committee who had been in post during 2021-22, Mr Clyde confirmed the accuracy of the report and the Committee <b>approved</b> the report for signature by the Committee Chair and for submission to the Board at their next meeting on 8<sup>th</sup> December 2022</p> <p>Mrs Wade offered to share <i>The scope of work of audit committees and internal auditors in college corporations</i> (Department for Education, 2022) with the Committee for reference.</p>	<p><b>NJW</b></p>
<p>22/22</p>	<p><u>Risk Register Review – November 2022</u> Mrs Marron confirmed that the format of the Risk Register is to be reviewed ahead of the next meeting. Mr Clyde suggested the introduction of a ‘scorecard’ approach, highlighting the key areas of interest to the Board and Mrs Chawner added that she agreed with the</p>	

Ref:		Actions
	<p>idea of a 'scorecard', highlighting areas of highest risk and also celebrating achievements. All Members of the Committee <b>agreed</b> they would like to see the introduction of a 'scorecard'.</p> <p>Mrs Marron provided a summary of the <i>Risk Register - November 2022</i> and Mr Fisher informed the Committee of the forthcoming industrial action due to take place on 30<sup>th</sup> November.</p> <p>The Committee <b>accepted</b> the <i>Risk Register – November 2022</i>.</p>	TJF/LJM
23/22	<p><u>Terms of Reference</u></p> <p>Mrs Wade referred to the Audit Committee's Term of Reference and informed the Committee that these are now in line with, and are heavily based upon, guidance in the <i>Post-16 Audit Code of Practice 2021-22</i> (Department for Education, 2022).</p> <p>The Committee <b>approved</b> the Terms of Reference for the next twelve months.</p>	
24/22	<p><u>Re-appointment of Auditors</u></p> <p>Mrs Marron explained that the contracts for both the internal and External Auditors come to an end on 31<sup>st</sup> December 2022. Mrs Marron explained that an External Auditor will need to be appointed in the new year, but there is still some work to be completed by the current Internal Auditor and suggested a short extension to the Internal Auditor's contract until 31<sup>st</sup> July 2023. The Committee <b>approved</b> this extension.</p> <p>Mrs Marron confirmed she will bring specifications of potential Internal and External Auditors to the next Committee meeting in Spring 2023, ready to be approved by the Board in March 2023.</p>	LJM
25/22	<p><u>Confidentiality</u></p> <p>There were no confidential items.</p>	
26/22	<p><u>Date for the Next Meeting</u></p> <p>Mrs Wade explained that an additional meeting of the Audit Committee is to be scheduled to bring the number of annual meetings to three, in line with recommended practice, and suggested the date of 16<sup>th</sup> February 2023, in addition to the meeting already scheduled on 18<sup>th</sup> May 2023.</p> <p>Mr Clyde acknowledged that this would be his last meeting as a Member of the Audit Committee and that a new member would need to be appointed. Mrs Wade agreed to contact Governors to ask for expressions of interest in joining the Audit Committee, ready for approval at the Board meeting on 8<sup>th</sup> December 2022.</p> <p>The Committee agreed that they would be happy attend an additional Teams meeting in order to review and approve the outstanding documents on the agenda requiring acceptance/approval before recommendation to the Board.</p>	NJW

## Summary of Actions:

Ref:	Action summary	By whom
16/22	Produce new outstanding actions tracker	LJM
16/22	Share template for new tracker and guidance on implementing passphrases with students	LG
18/22 & 19/22	Share completed documents with the Committee for acceptance/approval and recommendation to the Board: <ul style="list-style-type: none"> <li>• <i>Financial Statements and Regularity Audit Management (External Audit) Report 2021-22 (for acceptance)</i></li> <li>• <i>Management Representation Letters (for approval)</i></li> <li>• <i>Annual Report and Financial Statements for the Year ended 31 July 2022 (for approval)</i></li> <li>• <i>Internal Audit Strategy 2022-23 (for approval)</i></li> </ul>	LJM/ NJW
21/22	Share <i>The scope of work of audit committees and internal auditors in college corporations</i> (Department for Education, 2022) with the Committee	NJW
22/22	Review the format of the Risk Register and consider the introduction of a 'scorecard'	TJF/ LJM
24/22	Bring specifications of potential Internal and External Auditors to the next Committee meeting in Spring 2023	LJM
26/22	Contact Governors to ask for expressions of interest in joining the Audit Committee	NJW

## Additional Note:

The following documents were shared with members of the Audit Committee on 30<sup>th</sup> November 2022:

- *Financial Statements and Regularity Audit Management (External Audit) Report 2021-22 (for acceptance)*
- *Management Representation Letters (for approval)*
- *Annual Report and Financial Statements for the Year ended 31 July 2022 (for approval)*
- *Internal Audit Strategy 2022-23 (for approval)*

Following further discussion and clarification, all four members of the Audit Committee confirmed their approval of the above documents for recommendation to the Board on the following dates:

Emma Chawner	3 <sup>rd</sup> December 2022
Iain Clyde	6 <sup>th</sup> December 2022
Stephen Heath	6 <sup>th</sup> December 2022
Jenny Pan	2 <sup>nd</sup> December 2022