

Minutes of the Audit Committee (AC) Committee meeting held in the Executive Boardroom at 1630 hrs on 9th April 2020

Present	Dean Duffield	Mark Haydon	Mark Jackson
	Lee Kilby	Nicola Shawe (Chair)	
In Attendance	Ralph Devereux (Interim Clerk)	Lee Glover (Haines Watts)(Items 32-36/19 only)	Rachel Nichols (Acting Principal)
	Peter Walker (DP) VP CS		

- a. The Chair welcomed all to the meeting, held electronically because of CoVID-19 associated restrictions.
- b. The Clerk assured Members that electronically conducted meetings were permitted under the Instrument and Articles (I&A). For information, the Companies Act 2006 and Charity Commission also explain that ‘attendance’ does not preclude electronic participation. The Charity Commission also allows that unless specifically prohibited in the corporation’s governing document, boards may conduct meetings using electronic means.

PART ONE

STANDING ITEMS

A32/19 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 44/19)

A33/19 MINUTES AND ACTIONS

- a. Mark Jackson’s name was removed from those present; the Minutes of the last meeting held on 25 November 2019 were then confirmed for electronic signature; action delegated to the Clerk. **(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	18/19. Chair & Vice-Chair appointments approved.	Complete or tbc in this meeting
Action 2	20/19a. Last minutes (26.09.19) confirmed for signature.	
Action 3	23/19. Action re dissolution of one college.	
Action 4	23/19. Merger developments shared with Ext Aud.	
Action 5	23/19. Include PSA as asset detail in notes.	
Action 6	23/19. Financial Support letter for PRCV to be signed.	

Action 7	23/19. Journal authorisation procedure to be evidenced.	
Action 8	23/19. APT accounts monthly reconciliation.	
Action 9	25/19. Planning Brief Block 2 to be circulated.	
Action 10	26/19. Check Ext Auditor appointment/retender dates.	
Action 11	28/19. GDPR standing item on agenda.	

- d. re Action 1. Committee Vice-Chairs would not be required pre-merger.
- e. Urgent Business. There was no urgent business requested.

- a. **The information was noted.**
- b. **Action had been identified.** (Register at 44/19)

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

A34/19 INTERNAL AUDIT SERVICE (IAS) COLLEGE

- a. Progress Report. Recommendations re PRC Ventures (PRCV) had not been implemented as redundant since the decision to transfer all PRCV activities “in-house” wef 1 May. Concerns that residual weaknesses would transferred to the main financial operation were addressed, all functions would be conducted fully in accordance with College Financial Regulations and practice and would follow established and effective accounting treatment as currently applied to the Nursery function; essentially, PRCV would become the Refectory. Issues identified in the IAS report would inform consideration of other subsidiaries where applicable. **(Action 3)**
- b. Block One. (Merger Risk Management (RM) & Governance). 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 was welcomed. There had been; one “low” priority recommendation (associated with the Scheme of Delegation), which had been accepted and confirmed as having been fully implemented by 6 December 2019. Members took comfort from the positive report on this critical area.
- c. Block Two. (PRC Ventures (PRCV)) 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 “**weak**” with Red/Amber “**limited**” assurance. There had been; three “high” one “medium” and one “low” risk recommendations; all had been accepted but were no longer relevant; the issue had been resolved at 34/19a.
- d. Block Two. (Core Financial Controls). 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, which was welcomed. There had been; three “low” priority recommendations (associated with Financial Regulations; bank reconciliations & Journal process), which had been accepted, two were confirmed as having been fully implemented and the new combined (NCS/PRC) Financial Regulations to be effective on merger vesting date (01.08.20) would satisfy the third. Members took comfort from the positive report on this critical area.
- e. Block Two. (Safeguarding). 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, which was welcomed. There had been; four “low” priority recommendations (associated with Visitor Scheme; Visitor Information & Serious Case Review (SCR) data.), which had been accepted and would be effective on merger vesting date (01.08.20). There was discussion on requirement for the College to initiate renewals of employees Data Barring Service (DBS) checks; the IAS confirmed that there was no requirement for DBS certificates to be renewed after a year, two years, or even five years. Organisations decided when checks should be renewed since they initiated the process. It was normal practice within the sector to

rely on “self-certified” renewal. Members took comfort again from the positive report on this critical area.

- f. 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 considered but, since results for the “Merger” assignment (34/19b) had not been included, the numbers were not indicative and the average result would have been improved. It was agreed to update the report and circulate it to Members electronically. **(Action 4)**
- g. Satisfaction Survey. (Audit Co-Ordinator (ACO)). The ACO had recorded maximum points with no comments; an excellent result.
 - a. **The information was noted.**
 - b. **Action had been identified.** (Register at 44/19)

A35/19 IAS REPORT (JOINT VENTURE)

Innovation Manufacturing Engineering Technology (iMET)) The jointly commissioned (with Cambridge Regional College (CRC)) fieldwork assignment, which had been completed w/c 10 March was considered. The draft Report, received on 1 April had not yet been considered by either iMET or CRC, accordingly no management responses from either were included. The information was nevertheless considered by this Committee and it was agreed to receive the report and discuss the direct effects of the issues raised later in the meeting. The outcome would inform the Corporation on 23 April 2020. **(Action 5)** The Design and Effectiveness had both been graded as “**weak**” with Red/Amber “**limited**” assurance. There had been;

- a. four “high” priority recommendations (associated with the Business Plan; Service Level Agreements (SLA); “Going Concern” & Board meeting schedule);
- b. six “medium” priority recommendations (associated with Register of Apprenticeship Training Providers (RoATP); Policies & Procedures; accounts circulation & procedures; Customer Relationship Management (CRM) system processes; marketing strategy; and
- c. one “low” risk priority recommendation (associated with Employment Terms and Conditions (TOC) of service).

The Report had been discussed at the iMET Board meeting on 7 April 2020.

- a. **The information was noted.**
- b. **Action had been identified.** (Register at 44/19)

A36/19 BLOCK THREE

The IAS would complete reviews remotely during the College closure and planning briefs were considered for:

- a. Quality Management (QM). The scope and objectives of the planned audit together with the key risks and their mitigating controls were listed in the Assignment Brief, they were considered and approved. **(Action 7)**
- b. University Centre Peterborough (UCP) The review of UCP had been included in the IAS plan to demonstrate compliance with best practice following withdrawal by Anglia Ruskin University (ARU) from the joint enterprise. This situation was complex and it was agreed that a meeting between IAS and the Principal would be arranged soon to update on matters that may influence conduct of the review. **(Action 8)** The scope, reflecting Office for Students (OfS) conditions of registration “C,D,E & elements of F” was agreed and the intention to display compliance with “A,B & remaining elements of F” was provisionally (per outcome Action 8) approved. **(Action 9)** The review would not be completed until ARU withdrawal from the operation had been completed. **(Action 10)**

- a. **The information was noted.**
- b. **Action had been identified.** (Register at 44/19)

The Haines Watts representative left the meeting. Consideration of 35/19 was continued in Part Two

A37/19 FUNDING ASSURANCE – FOLLOW UPS

The “reasonable assurance” on the Funding Assurance review of Apprenticeships (by Scrutton Bland) at PRC and Anglia Professional Training (APT) considered on 26 September 2019 had prompted a request for a follow-up, which had now been completed. Of the original seven recommendations for PRC, five had been fully and the remaining two partly, implemented and for APT, of the original five recommendations three had been fully implemented and the remaining two partly implemented. The partly completed items had been graded as “low risk” and the overall progress as “good”. Members took comfort from the sound report.

The information was received.

A38/19 EXTERNAL AUDIT TENDER

The previously considered resignation of the external auditors (BDO)(Annex 8.1) and the concurrent conclusion of the KPMG contract with New College Stamford (NCS) had prompted necessity to tender for replacement services for the year ending 31 July 2020; plus two years for the Inspire Education Group (IEG) together with an option for two further years. The framework agreement (Annex 8.2) with the Crescent Purchasing Consortium (CPC), of which both NCS and PRC were members, could provide a fully EU compliant process involving eight provider firms. The process was outlined and discussed at some length and use of the process informed by the “Further Competition Invitation to Tender2 (Annex 8.3) was endorsed. The timeline was discussed and it was generally felt to be tight and it was agreed that the dates could be eased; the DP and the NCS VPFR would liaise and agree and confirm with all through “Doodle” to extend until 7 May. **(Action 10)** It was also agreed that the “pricing weightings” should be reduced by 10% and a 5% addition to each of “Added Value” and “Managing and Resourcing the Work”. **(Action 11)** The recommendation to form a joint panel was discussed and it was suggested that Merger Shadow Board (MSB) members who were also AC members from either College would be appropriate elements to complete the necessary initial scoring and invite the three highest scoring firms to present to a meeting on a date to be agreed was unanimously approved. **(Action 12)**

- a. **The information was noted.**
- b. **Action had been identified.** (Register at 44/19)

A39/19 PRIMARY RISKS

- a. The last review of “Residual Primary Risks (RPR)” had been at the Corporation meeting of 14 February 2020 (59/19) when there had been 7 RPR in the Risk Register (RR); one new risk (258) had been added on 28 February. That risk “COVID-19:” Significant business interruption and impact on students and staff as a result of closure/sickness/absence” was discussed, it was suggested that it would be prudent to look ahead to when “lockdown” was eased. Welcome and valued high levels of support and advice were currently available and it was expected that these would address timeline indicators in due time.
- b. The Principal sadly reported the tragic death of a mature PRC student from the virus, the Principal intended to write with condolences and appropriate bereavement support was available to the bereaved, friends and relatives.

The information was noted and received.

A40/19 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.

A41/19 GENERAL DATA PROTECTION REGULATION (GDPR)

There had been no notified breaches of the GDPR.

The information was noted and received.

A42/19 URGENT BUSINESS

There had been no urgent business requested.

A43/19 DATES OF NEXT MEETING

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

F44/19 ACTION REGISTER

Please refer to referenced Minute for further detail		Resp	Date
Action 1	32/19a. Meeting process clarified.	Chair	wie
Action 2	33/19a. Last minutes (25.11.19) confirmed for signature.	Clerk	
Action 3	34/19a. PRCV recommendations to inform subsidiaries.	VPCS	asap
Action 4	34/19f. Amended Satisfaction Survey to be circulated.		
Action 5	35/19. IAS Report on iMET received and noted.	Chair	wie
Action 6	35/19 Part 2.		23.04.20
Action 7	36/19a. QM planning brief approved.	DP	
Action 8	36/19b. UCP scoping meeting tba between IAS/Principal.	IAS/RN	asap
Action 9	36/19b. UCP planning brief provisionally approved.	VPCS	
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,		wie

Ralph Devereux (Clerk) for Nicola Stone (Chair)
Ralph Devereux (Clerk) for Nicola Stone (Chair) (06.11.2020 11:41 GMT+1)

09.04.20Final V2 (00000002)

Final Audit Report

2020-07-03

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