

## Newbury College Corporation Audit Committee

Non-Confidential minutes of a meeting held on Monday 20<sup>th</sup> of June 2022

Date:	20 <sup>th</sup> June 2022	Time:	4.00 PM
Chairperson:	Martin Hamer	Location:	College Restaurant

Members	Name	Present	Role
1.	Elizabeth Clayton (EC)	*	Mazars Auditor
2.	Iain Wolloff (IW)	*	Principal & Chief Executive
3.	Javaid Iqbal (JI)	*	External Member
4.	Martin Hamer (MH)	*	External Member (Chair)
5.	Peter Lambert (PL)	*	External Member
Apologies:	Nick Fox (NF)		External Member
	Tom Rossiter (TR)		External Member
In Attendance:	Richard Lee (RL)	*	Clerk to Corporation – Minute taker
	Jo Houghton (JH)	*	
	Cathy Wright (CW)	*	
	Didem Allen (DA)	*	
	Lee Hunt (LH)	*	Vice Principal
Quorum:	3 required	*	4 present at start - meeting quorate

Item	
1.	<b>Election of Chair</b> MH unanimously elected as Chair of the Audit Committee.
2.	<b>Apologies for Absence</b> There were apologies from Nick Fox and Tom Rossiter.
3.	<b>Declarations of Interests</b> There were no declarations of interest made.
4.	<b>Minutes of the Previous Meeting</b> The Committee approved the Minutes of the meeting held on the 7 <sup>th</sup> March 2022.  PL asked if the minutes had been reviewed by GH (outgoing chair). IW responded that GH had reviewed and confirmed the minutes.
5.	<b>Matters Arising from the Minutes</b> The Committee received a report on action in relation to matters arising from the minutes of 7 <sup>th</sup> March 2022.

	<p>PL asked if an overpayment made by the College had been recovered. CW responded the sum was recovered.</p>
6.	<p><b>Outstanding Audit Recommendations (SI)</b></p> <p>EC provided an update on progress with outstanding recommendations to the Committee. Internal Auditors, Mazars, have reviewed all outstanding audit recommendations. The number of outstanding items is low, with six in total. The reported progress is:</p> <ul style="list-style-type: none"> <li>• Estates and FM – Estates Strategy – now implemented.</li> <li>• Cash &amp; Banking – Restaurant Till – no longer required, alternative solution utilised.</li> <li>• Core Financial Controls – cashflow procedure – in progress.</li> <li>• Learner Numbers – progress against three actions being reviewed in 2021/22 audit.</li> </ul> <p>PL asked if the proposal to not implement the Cash and Banking Audit action required formal approval. EC responded that the risk associated with the recommendation has been discussed and mutually agreed with the College, but that formal approval would be required. PL, JI and MH approved this recommendation.</p>
7.	<p><b>Internal Audit Service</b></p> <p>EC presented the Internal Audit Report to the Committee highlighting follow up actions. The Internal Auditors, Mazars, are undertaking audits for Subcontracting, Learner Numbers, Budget Review and Risk Management. These reports will be available later in the summer term and their current status was reviewed. The report on Follow-Up actions was reviewed and confirms the details already outlined in agenda item six.</p> <p>MH and DA suggested the due date for cashflow forecast be changed to October given changes to Finance Team personnel. PL and EH agreed the cashflow forecast deadline should be moved to October.</p> <p>PL asked if a replacement Finance Manager had been hired. IW responded that no new Finance Manager had been appointed. MH asked what the probability of appointing a new finance manager was. IW replied that it was challenging to offer a competitive rate of pay but that the establishment of a new finance apprentice post and restructuring of the financial team would allow a potential candidate flexible working hours. DA noted in the interim a temporary Finance Manager would be appointed</p> <p>MH asked if a 1-1 handover was realistic. DA responded a 1-1 handover to a temporary manager then a permanent replacement would be possible.</p> <p>PL asked if the related documentation was completed. DA responded that the documentation was not currently complete.</p>
8.	<p><b>Internal Audit Plan</b></p> <p>EH updated the Committee on the plan for internal audit 2022/23. The internal auditors, Mazars, had provided details of the audits carried out at the College during the last five years and an outline of potential audit areas for the coming year. The Committee was invited to consider the priorities for future audits.</p> <p>IW reported the 30 audit days would be divided into 25 days of auditing and 5 days of managing. Auditing would be divided into the Learner Numbers (5 days), Subcontracting (5 days) and Financial Control audits (4 days). 3 additional 4 day audits were suggested for prioritisation over the next two years; 1) Apprenticeships, 2) Fraud Risk Management 3) GDPR compliance.</p>

	<p>MH asked if there was a preference for GDPR or Fraud Risk Management being conducted in 2022-23. IW responded that GDPR was probably the priority to be completed first. MH, JI and PL agreed GDPR compliance and Apprenticeships be the major focus for the 2022-23 audit.</p> <p>PL asked if the risk attached to the PFI should be evaluated by an external agency. JH responded that the risk attached to the PFI should be evaluated in 2023-24 after the PFI plan had been disseminated and initial work conducted. IW noted the Infrastructure &amp; Projects Authority (IPA) might provide a source of specialist advice regarding the PFI, if the College fell within their remit. EH responded that Mazars could showcase the relevant services they could deliver as required.</p> <p>MH asked if the Subcontracting audit covers the people the College subcontracts to, or those who contract to the College. JO confirmed it is the people the College subcontracts to, and that it is this partner that is audited when they contact in to the College.</p>
9.	<p><b>Risk Management (SI)</b></p> <p>IW reported to the Committee on key risk items. The College maintains a risk register that is subject to regular review. Risks identified are scored on both their potential impact and probability, to give an overall score and to enable a ranking of risks. The register was subject to substantive review in April, which was approved by the Committee and discussed by the Board. The key changes included:</p> <ul style="list-style-type: none"> <li>• Revision and updating of both 'Actions taken to mitigate' and 'Action plans to reduce risks further' for all risks</li> <li>• Re-allocation of risk owners amongst the SLT</li> <li>• Reviewing of all scoring</li> <li>• Removal of some outdated risks and the addition of specific risks on the PFI and Business Continuity</li> </ul> <p>The Register has been further reviewed at the beginning of June and the document provided showed various actions which have now been taken and others which have been updated (shown with tracked changes). The highest ranked residual risks remain safeguarding and those related to income and cashflow.</p> <p>MH asked if all email communication between Governors and College could be conducted through College emails. IW responded that both Sharepoint and College emails can be used for Governor to College communications. PL and JI agreed that Governors should use College systems. EC cautioned members should have limited access to College systems but noted Mazar policy was to use Company emails for business.</p> <p><b>Action: RL to draft a recommendation to the Board for Governors to use College emails.</b></p> <p>MH asked what the financial limit is, regarding an order, before it is put out to tender. DA responded that it is £150,000. IW noted the lower limit of 5000-50,000 requires 3 quotations. MH asked if senior staff have to declare any gifts received. CW noted that this was required and a gift register does exist.</p> <p>PL asked, in relation to cash flow, where the pinch point is, and if there is a backup plan. IW replied that the pinch point has moved to March 2023 at which point cash drops below a million; DA noted the ESFA definition for a pinch point is 'cash days' of 15 days or under. IW responded, regarding a backup plan, that the ESFA can reprofile funding or provide emergency funding. IW noted that the March pinch point would only occur if the first payment from the large land sale is not received, but it may be made by January 2023.</p> <p>PL asked if after March 2023 receipts go up. IW responded that they do but noted if land sale receipts don't come in by the end of the 2022-23 academic year, then then cash receipts would drop in 2023-2024.</p> <p>MH asked if planning permission would be granted by December 2022. IW replied planning permission could be granted within that timeframe. MH asked if dialogue between the planning officers has been</p>

	<p>ongoing. IW responded it has. MH asked if the Sandleford decision has impacted the planning process. IW responded that it was understood that it had no impact.</p> <p>Jl asked if the College had ever had any cyber bullying issues and whether this should be included in the Safeguarding Policy. LH replied that cyber bullying is in the Safeguarding Policy, included in College training and in the Safeguarding audit. CW noted a weekly audit of words in emails to detect violent language etc. is conducted. IW noted that cyber bullying would be reconsidered in the next evaluation of Safeguarding Policy.</p> <p>Jl asked what Salix funding is. CW responded that Salix funding is available to public bodies to help reduce their carbon impact. CW noted Oxford Brooks had been commissioned to report on potential areas of savings for the College that will be the basis of an initial bid for Salix funding; a second funding bid will be made in December to fund the implementation of the report's findings.</p> <p>MH asked the Committee if it would approve the current risk register. PL responded the Committee would.</p>
10.	<p><b>Health &amp; Safety Update (SI)</b></p> <p>10.1 – CW gave an update on progress since the last meeting. Summarising H&amp;S activity for 2021-22 and the update to the Health &amp; Safety Policy. The report summarises key areas of H&amp;S provision including:</p> <ul style="list-style-type: none"> <li>• Health and Safety Committee</li> <li>• Incidents</li> <li>• First Aid</li> <li>• Emergency Procedures</li> <li>• Risk, COSHH, DSEAR assessments</li> <li>• Water Quality</li> <li>• Policies and Procedures</li> <li>• Safety Culture</li> <li>• Environmental.</li> </ul> <p>MH asked if the car park gates are locked at night. CW and IW replied they were locked at 10.00 PM on weeknights but are open on some weekends. IW also noted a new barrier system will be installed in summer 2022.</p> <p>MH asked if health and safety regulations apply to people working from home. CW indicated that they do, and that home working DSE assessments are conducted. MH asked if there is potential liability for home workers. CW responded that currently there is no home worker liability.</p> <p>Jl asked how diverted waste is defined. IW responded that diverted waste is largely incinerated waste.</p> <p>10.2 - CW outlined the consideration of recommending approval of the revised Health &amp; Safety Policy to the Corporation:</p> <ul style="list-style-type: none"> <li>• The Health &amp; Safety Policy has been updated, the changes to bring to your attention are: <ul style="list-style-type: none"> <li>○ An updated structure</li> <li>○ Changes to responsibilities to avoid duplicates</li> <li>○ Information about e-cigarettes and e-scooters</li> <li>○ Updated information on Electromagnetic Fields Hazards and radiation</li> </ul> </li> <li>• There have been no significant incidents reported this year (so far).</li> <li>• The Emergency procedures for the College are being reviewed with SLT and CLT, to be launched in September</li> </ul> <p>MH asked if the revised Health &amp; Safety Policy could be recommended for approval to the board. Jl responded that he had comments pertaining to legislative and formatting errors. PL noted the organisation chart was unclear. MH asked if comments could be forwarded to CW.</p>

	<p><b>Action: CW to complete amendments to the Health &amp; Safety Policy by June 30<sup>th</sup>.</b></p> <p>MH asked if the Health &amp; Safety Policy, subject to completion of the required amendments, could be recommended to the Board at the FGB. PL and JI indicated it could be.</p>
<b>11.</b>	<p><b>Significant Incident Report (SI)</b></p> <p>None.</p>
<b>12.</b>	<p><b>AOB</b></p> <p>None.</p>

**NOTE: (SI) = Standing item**

*Martin Hamer*

14 Jan 2023

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Martin Hamer (Jan 14, 2023, 4:33pm)



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