



**MINUTES OF THE AUDIT COMMITTEE OF THE  
NORTH EAST SURREY COLLEGE OF  
TECHNOLOGY FURTHER EDUCATION  
CORPORATION held on Monday 9<sup>th</sup> December 2019  
at 09.00 in the Skills Park Boardroom (SP216)**

<b>PRESENT</b>	<b>IN ATTENDANCE</b>
Mr Simon Enoch Mr Peter Stamps (Chair Finance and General Purposes).	Ms Lorna Raynes – RSM (Internal Auditors) Mr Rajeev Shaunak – Partner, Macintyre Hudson (External Auditor) Mr Mark Eagle – Manager, Macintyre Hudson Mrs Frances Rutter - Principal Ms M Vetrone - Deputy Principal, Finance and Resources Mr Graeme Hodge – Staff governor (Observer) Mrs J Carr - Clerk to the Corporation
<b>Attendance = 33%</b>	

<b>01.19</b>	<b>APOLOGIES FOR ABSENCE</b>
	<p>Apologies were received from Liz Lawrence and Maureen Kilminster.</p> <p>It was acknowledged that the Committee was not quorate with only Simon Enoch present due to one member of the Committee suffering from the Noro virus and the Chair resigning from the Committee. The Committee Terms of Reference state that any Governor may attend Audit Committee. However, attendance does not contribute towards Committee quoracy. The College is looking to recruit additional members, particularly with finance experience; one new member is being considered for the December Corporation meeting. The Committee agreed to discuss the full agenda and present the minutes to Corporation on Thursday for further discussion and decisions.</p>
<b>02.19</b>	<b>DECLARATIONS OF INTEREST</b>
	<p>Mrs Rutter declared an interest as an unremunerated director of NESCOT Enterprises Ltd, a wholly owned subsidiary of NESCOT.</p>
<b>03.19</b>	<b>MINUTES</b>
	<p>The minutes of the meeting held on 15<sup>th</sup> July 2019 were approved as a correct record and signed by the Chair.</p> <p>All matters arising from the meeting of 15<sup>th</sup> July are included in the agenda.</p>
<b>04.19</b>	<b>Draft Annual Report and Financial Statements for 2018/19.</b>
	<p>The meeting agreed to consider Item 4.2 Draft Management Letter and Letter of Representations before Item 4.1 Draft Group Financial Statements and Annual Report 2018/19.</p>

#### 4.2 Draft Management Letter

The key audit issues and their resolution (P6-7) link the audit process to the external audit strategy document 2018-19 which was presented at the July Committee meeting. The letter confirms that the external auditors performed their audit work as planned and there were no exceptions identified.

Section 2 provides a commentary of the College's financial statements. The External Auditor advised of the late £7K change.

The meeting noted the comments regarding the College's income for the year including the contribution from the ASTM Partnership and the drop in apprenticeship income which is a sector-wide problem.

The meeting noted that the increase in staff costs is predominantly the result of increased sessional ASTM staff who are seconded to the College for the provision of the Partnership activities.

College overheads (non-pay) have increased principally due to the additional ASTM activity which is offset by increased fee income.

P11. Balance sheet: The net fixed asset value decreased by £506K to £65.51M. The variance was generated by equipment purchases of some £2M less a depreciation charge of £2.612M. In response to a member question, the external auditors confirmed that they were satisfied with the College's depreciation policy.

P12 details the movement in debtors and creditors were noted, in particular the increase in trade debtors being the result of a timing issue with a fall in resultant accruals.

Cash held with HSBC has reduced as planned in line with Capital Project expenditure and the movement of £1M to the medium risk investment fund.

P15 Section 3: Adjusted and unadjusted errors.

The External Auditors advised the meeting that the minimal areas of adjustments reflect the robustness of the College financial controls. The details of the adjustments may be viewed in appendix 2.

P17 Section 4 Internal Controls Review does not replicate the work undertaken by the Internal Auditors. Two minor recommendations were identified:

1. Enterprise Ltd: no depreciation had been charged on the company's fixed assets. The College has agreed to apply the calculated depreciation charge of £442.
2. Determining the status of an historic loan of £58K from Nescot Trust to Nescot College. There is no paperwork supporting this loan which is

<p><b>4.1 Draft Group Financial Statements and Annual Report 2018/19</b></p>	<p>estimated to be some 10 years old. It is proposed that the loan be written off.</p> <p>The external auditor advised the meeting that the action identified during the 2017/18 external audit where credit card statements had not been correctly authorised has been resolved during 2018/19.</p> <p>In conclusion, the External Auditors confirmed their opinion that the College has good financial controls and processes in place and that no issues were identified during their specific testing.</p> <p>The External Auditors introduced their benchmarking of Nescot with three other FE Colleges which they represent together with an average of their College clients which reflect Nescot's ESFA financial status of outstanding.</p> <p>The meeting noted the Surplus/Deficit after tax benchmark which indicates how achieving a break-even budget is considered a good position for an FE College. The Deputy Principal reminded the meeting that colleges may hold cash reserve yet are unable to break even. The external auditor also advised that some colleges have sold family silver to finance their deficits and so auditors need to look at the underlying quality of trade.</p> <p>There being no further questions of the external auditors, the Deputy Principal asked the meeting if they were happy to accept the External Auditor's Management Letter and the draft Letter of Representation and recommend them to the December Corporation Meeting. The meeting agreed and were advised that the Finance and General Purposes Committee of 6<sup>th</sup> December had recommended these to the December Corporation meeting.</p> <p>The Deputy Principal introduced the Financial Statements and Annual Report 2018-19 and reminded the meeting that both the Finance and General Purposes Committee and the Audit Committee review these, requesting any amendments before they are tabled at the December Corporation meeting with effectively a joint recommendation. The Audit Committee should focus on the governance process and Statement whilst the Finance and General Purposes Committee focus on the numbers, audit process and the notes. Hence the Chair of Finance and General Purposes is invited to the December Audit Committee. The Audit Member advised the meeting that he wished to review all aspects of the Annual Report and Financial Statements.</p> <p>The Deputy Principal advised the meeting of the new format. In response to a member question, the Deputy Principal confirmed that she had checked all the underlying data used to prepare the accounts and that the External Auditors have checked all the figures within the Statement.</p>
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The meeting requested that the table on p15 (financial results for 31<sup>st</sup> July 2019) contain the 2018-19 comparative figures when presenting the 2019-20 financial summary. The Deputy Principal Agreed this an action for next year.

The Deputy Principal advised the meeting that the Finance and General Purposes Committee had requested some amendments and there are a few typographical errors to correct before the Corporation meeting of 12<sup>th</sup> December. However, there is one F&GP amendment which must be retracted on P63. That the figures for the Accounting Officer are correct and include the basic salary, pension, benefits in kind and exclude employers' NI contributions. The Chair of F&GP confirmed that he was satisfied with this explanation.

P12. Academic and Curriculum Performance.

"HE achievement rates are in decline from 84% to 74%". The meeting requested further details regarding this statement particularly in the light of increased HE student numbers. This was discussed at Curriculum and Quality and relates to a cohort of ASTM students who completed one study module outside of the year. The December Corporation will be advised of this. The Principal advised the meeting that this matter had been discussed at the F&GP meeting and that the following narrative had been agreed:

"HE achievement rates were in decline during the year from 84% to 74% due to the timing of achievements for the ASTM provision. The College's forecast based on students attending the final Assessment Board is for HE achievement rates to increase for 88% for the year".

P11 ESFA KPI table. The meeting requested that the exclamation marks within triangles be replaced by an alternative symbol such as an Asterix.

The Deputy Principal advised the meeting that F&GP had questioned the effect of removing £1M from cash reserves to the investment fund had impacted upon the Cash days in hand and current ratio metrics. An additional line will be inserted below the table indicating that these targets would have been met if the £1M had not been taken out of cash reserves an invested in the medium risk investment fund.

A discussion ensued regarding whether the monies within the investment fund should be considered as a non-cash asset or cash given its short notice period. The Deputy Principal advised that both the ESFA and External Auditors considered this as a non-cash item. The member asked the Deputy Principal to check the notice period for the Investment fund.

The External Auditor advised the meeting of a typographical error on P63 whether the Office for Students was spelt with one "f".

<p><b>4.3 Post-16 Audit Code of Practice Regularity Questionnaire</b></p>	<p>The member questioned whether the 7.5 multiple figure should read 5.7 as this is normally between 4 and 5. The Deputy Principal will check this figure.</p> <p>The meeting had no further comments or questions. The Committee recommended the draft Group Annual Report and Financial Statements 2018/19 to the Corporation Meeting of 12<sup>th</sup> December.</p> <p>The Deputy Principal advised the meeting that the ESFA require the questionnaire to be approved by the Corporation and signed by the Chair of Governors and Accounting Officer. The meeting was informed that the Questionnaire had been signed on Friday 6<sup>th</sup> December immediately after the F&amp;GP meeting. This signed copy, subject to Audit Committee comments, will be tabled at the Corporation meeting of 12<sup>th</sup> December.</p> <p>The meeting requested that the Insolvency Regime training session provided by RSM on 11<sup>th</sup> October be included in the questionnaire despite taking place after the 2018-19 year-end but before the approval of the final accounts.</p> <p>P18 payments to partner organisations. The ASTM Partnership has a service-level agreement regulating financial activity. The ASTM Board meets on a monthly basis. The College closely manages the Partnership given its high risk and high reward model.</p> <p>The meeting confirmed that they were happy with the completed Regularity Questionnaire and recommended its approval to the December Corporation meeting.</p>
<p><b>05.19</b></p>	<p><b>Annual REPORTS 2018/19</b></p>
<p><b>5.1 Internal Audit Annual Report</b></p>	<p>Ms Raynes presented the Internal Audit Annual Report 2018/19 which is an ESFA requirement and advised the meeting that Report summarises the 2018/19 audits, the individual reports having been presented at previous Audit Committee meetings.</p> <p>Having completed the 2018-19 Internal Audit Plan as approved at the July 2018 Audit Committee, the Internal Auditors' overall opinion for 2018-19 is:</p> <p><i>“The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective”.</i></p> <p>There are 4 overall opinions which the Auditor usually provides:</p> <ol style="list-style-type: none"> <li>1. The organisation has an adequate and effective framework for risk management, governance and internal control.</li> <li>2. The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has</li> </ol>

<p><b>5.2 Draft Annual Report of the Committee</b></p>	<p>identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> <ol style="list-style-type: none"> <li>3. There are weaknesses in the framework for risk management, governance and internal controls such that it could become inadequate and ineffective.</li> <li>4. The organisation does not have an adequate framework for risk management, governance and internal control.</li> </ol> <p>The Internal Auditor advised that most of their clients are given overall opinions level 2 or 3.</p> <p>Section 1.3 outlines the factors which have formed the Internal Audit opinion.</p> <p>Section 2.2 Internal Audit recommendations follow-up shows good progress with only 2 medium priority points regarding curriculum planning outstanding. The College Managers' perspective on outstanding issues is discussed within Agenda Item 7 completed.</p> <p>The Internal Auditor highlighted section 3.2 conflicts of Interest and advised the meeting that</p> <ol style="list-style-type: none"> <li>1) RSM had undertaken sub-contracting audit work for the ESFA.</li> <li>2) IT strategic review had been undertaken by another specialist team within RSM.</li> </ol> <p>There being no further questions, the meeting recommended the Internal Audit Annual Report 2018-19 to the December Corporation meeting.</p> <p>The Clerk tabled the draft Audit Committee Annual Report 2018-19.</p> <p>The meeting agreed that the date of the report should be amended to read 1<sup>st</sup> April 2018 – 9<sup>th</sup> December 2019 in order to include the agenda of the December 2019 meeting. The attendance data should then be updated to include the 4 meetings and the date of Kabir Shaikh's resignation as a governor included in the report.</p> <p>The meeting agreed that the Clerk should update the report for the Corporation meeting on 12<sup>th</sup> December to include that the meeting of 9<sup>th</sup> December was not quorate due to sickness and the resignation of the Committee Chair.</p> <p>A discussion ensued regarding the relative short terms as governors for K. Shaikh and S Pritchett, some 18 and 30 months respectively compared to the ideal tenure of 4-6 years. Both resigned with sadness due to new work pressures.</p> <p>The Principal advised the meeting that the College was actively recruiting one or more governors with financial experience/ qualifications. However, finding good</p>
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<p><b>5.3 Committee Self-Assessment Report.</b></p>	<p>quality governors with sufficient time to become governors is becoming increasingly difficult together with the personal liability of governors. The College has been politely declined by two excellent candidates recently. The Member suggested that the recruitment of governors be added to the Risk Register.</p> <p>The Clerk agreed to correct the typographical errors, update the report as directed and recirculate with tracked changes to the meeting. Once approved the updated report will be tabled at the December Corporation meeting.</p> <p>A letter was tabled for Audit Committee attention regarding audit work on HE ILR returns – this is a routine standard letter. A number of issues were identified as part of the audit process that had been corrected at the time. The OfS may return to carry out more work in due course.</p> <p>The meeting decided that the OfS letter should be tabled at the March meeting to provide more detail.</p> <p>The Clerk tabled the Committee Self-assessment report and reminded the meeting that the report had been written before the Committee membership issues were known.</p> <p>The member requested that the Clerk updated the report to reflect the position of 9<sup>th</sup> December meeting and recognise the need for new members of the Committee in comparison with the majority of the year.</p> <p>The quality of submissions to ESFA and OfS should be included in the focus of the Committee.</p>
<p><b>06.19</b></p>	<p><b>Internal Audit Assignment Reports</b></p>
<p><b>6.1 ASTM Student Audit</b></p>	<p>ASTM is the College's direct delivery joint venture partner, with centres in Oldham, Hounslow and Aldgate East. The 2019-20 College budget includes a forecast of £1.8M surplus from the Partnership activity. As discussed at previous meetings, the ASTM partnership represents a high risk, high return model. ASTM students are predominately from the Asian community with some students belonging to the same family. The College wanted assurance that the student body was authentic.</p> <p>The Oldham Centre is some 4.5 hours' drive away from Nescot with no direct rail route and so is not easy to travel to at short notice.</p> <p>With an OFSTED inspection likely in the future, ELT wanted clear evidence of Partnership working. ELT commissioned an independent audit of the ASTM partnership student body.</p> <p>All 390 records of students enrolled on Higher National programmes across the ASTM centres in 2018-19 were selected. The audit found that all 390 student</p>



<p><b>6.2 Quality Assurance</b></p>	<p>records were reconcilable to authenticated sources (e.g. passports) and the auditor met with a sample of the students. ELT is satisfied that the ASTM Higher National Programme student body for 2018-19 was authentic.</p> <p>The Staff Governor observed that many of the current cohort of Hounslow students appear to be Eastern European; what is the risk factor of losing the students as a result of Brexit? The Deputy Principal advised the meeting that if there was a “No Deal Brexit” after the two year’s grace period any European students studying at Nescot or ASTM will be liable to international fees. This will be particularly pertinent for the Icon programme.</p> <p>In response to a member question, The Principal advised that the ASTM partnership is now embedded in College Group structure chart. The CEO of ASTM, together with senior members of the ASTM team attend the monthly ASTM Partnership Board meetings at Nescot. The Principal chairs the Board meetings which are attended by the Deputy Principal (Finance and Resources), Deputy Principal (Curriculum), Director of HE, the College Quality Assurance Manager and the College Finance Manager.</p> <p>Dr Chana, Director of Partnerships and Business Development is the overlay between the two organisations.</p> <p>Nescot staff regularly attend ASTM centres providing support and guidance. The College Director of Behaviour and Wellbeing, Rob Greening, has provided safeguarding and prevent teaching at all the ASTM centres. Whilst the Nescot Finance Team maintain tight control of the finances.</p> <p>Nescot is looking to diversify the ASTM risk and is currently in discussion with two potential providers.</p> <p>The Chair of F&amp;GP asked whether having verified the existence of the 390 students, did the audit check whether these students had attended classes. The Deputy Principal advised that the ASTM teaching staff complete attendance registers in the same way as Nescot staff complete their student registers. This data is then submitted to Nescot for inclusion in its KPIs</p> <p>The Internal Auditor presented the Quality Assurance report and confirmed that the audit objective was to review the quality assurance framework in the College together with checking that the supporting policies and procedures are consistently applied and complied with; for instance, ensuring that learning observations and learning walks are taking place and any matters arising from these are followed through. The internal auditors were not checking the quality of teaching and learning within the College.</p> <p>No actions or recommendations were raised from the audit review. The report provides a substantial level of assurance to the Board.</p>
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	The meeting noted the Quality Assurance Internal Audit Report
<b>07.19</b>	<b>UPDATE ON OUTSTANDING AUDIT ACTIONS</b>
	<p>The Deputy Principal confirmed to the meeting that the “Follow-up” schedule represents the College Manager’s assessment of the progress of the implementation of Internal Audit recommendations. The spreadsheet encompasses 2013/14 to 2018/19. The schedules for 2013/14, 2014/15 and 2015/16 have now been closed as all recommendations have either been implemented or superseded by new systems or controls.</p> <p>Of the 30 Internal Audit recommendations raised in 2016/17, 28 have been fully implemented. The remaining two relate to the audit of commercial activities and relate to SWOT analysis and end of year reporting. The Deputy Principal advised that the College is making progress in these two specific areas. The member asked if these recommendations were being overtaken by events. The Deputy Principal advised that the Commercial strategy requires a complete review and Simon Matthews, an ex-officio member of the Growth Committee has been asked to assist with this review. The Deputy Principal envisages that the draft Commercial Strategy will be presented to Governors no later than the end of next term.</p> <p>The 54 recommendations raised in 2017-18 have all been implemented.</p> <p>During 2018-19 15 recommendations were raised of which 13 have been implemented. The two outstanding recommendations relate to the preparation of the statutory annual statement and report and may be recorded as implemented from today.</p> <p>A member asked if the College was making progress regarding the achievement and administration of in-house apprenticeships. The Principal replied that the priority for this term had been to ensure that all apprentices were fully enrolled before the ILR R04 was submitted to the ESFA on 29<sup>th</sup> November. Going forward ELT will be reviewing:</p> <ol style="list-style-type: none"> <li>1. The quality of apprenticeships and process (e.g. enrolment and assessors).</li> <li>2. Whether current delivery methods are the most appropriate.</li> <li>3. The financial viability of apprenticeships.</li> </ol> <p>It is anticipated that an apprenticeship report for governors will be available in March 2020.</p> <p>The meeting considered the 2017-18 IT Health Check spreadsheet. The Deputy Principal confirmed that all timelines to date have been met. The College is currently on schedule for the timelines scheduled for the end of this term, the majority of which relate to good housekeeping as opposed to the safety and resilience of the network and is working towards the longer-term objectives.</p> <p>Documentation of College IT systems and strengthening/segmenting of the College Network continues.</p> <p>The Deputy Principal assured the meeting that the College network is now resilient but may never be 100% secure from cyber-attacks.</p>

A member asked whether IT is sufficiently risk rated and whether any additional funds may be allocated to support this College priority. The meeting noted that IT risks are increasing with the Education and NHS sectors seeming vulnerable to cyber-attacks. The member reminded of the BA IT problems which required some 160 days to resolve at considerable cost and loss of reputation to BA.

The member reminded the meeting of the reputational risk to the College if students were unable to access their material at exam times. The Staff Governor advised the meeting that the student IT experience has improved considerably during the last 12 months and is probably 6-7/10 compared to previously 2-3/10.

The Staff Governor noted that the previous SMT did not appear to consider IT as a priority and thus there was a distinct lack of investment in the College IT system for a number of years. The meeting noted that the existing ELT have reversed this trend and have a good IT Team in place. However, the meeting suggested that this is a Board responsibility in addition to that of ELT and the Director of IT. The meeting requested that the Corporation consider the risk rating and existing levels of investment in the College IT systems.

The IT specialists from RSM will undertake a review visit to the College next Easter.

**RESOLVED:** that the update on outstanding audit recommendations be noted.

08.19	RISK MANAGEMENT AND ASSURANCE FRAMEWORK
<p><b>8.1 Updated Risk Management Policy</b></p>	<p>The Deputy Principal tabled the updated College Risk Management Policy 2019-20 which is updated annually.</p> <p>The Deputy Principal advised the meeting of the robust “bottom-up” process with the College Risk Management Action Group comprising of some 15 College Mangers representative of curriculum and support staff. This group have received training regarding how to properly assess and review operational risk. Each of these managers is responsible for their specific area operational risk registers.</p> <p>The member asked both the Internal and External auditors whether they were satisfied that the College Risk Management process is working. Both auditors replied that they were. The Internal Auditors review the College Risk Register when preparing their annual plan. To date the Internal Auditors have not raised any significant actions relating to the College’s Risk Management processes.</p> <p>The meeting is assured that the risk management processes and controls are embedded in the College business. The allocation of resources to support the risk analysis is a real challenge for ELT.</p>
<p><b>8.2 Strategic Risk Register</b></p>	<p>The meeting recommended the approval of the College Risk Management Policy 2019-20 to the December Corporation meeting.</p>

<p><b>8.3 Assurance Framework Report</b></p>	<p>The Deputy Principal presented the College Risk Register as at 5<sup>th</sup> December 2019 containing 23 strategic risks of which 5 are significant (Risk 2, 4, 16, 20 and 22).</p> <p>Updates to the Risk Register are highlighted in yellow. These have resulted in a 4% adverse movement with 48% of the identified risks being rated as “high”. The movement being principally driven by the concern regarding College finance staff (Risk 10). The meeting asked both the Internal and External Auditors whether Nescot’s risk profile is typical/reflective of the current challenges within the FE sector. Both auditors confirmed that it is.</p> <p>The Deputy Principal advised that the Finance Management Capacity is a concern given that there will be two vacant posts in the Finance Team early in the new year. The Deputy Principal is looking to review the existing structure of the Finance Team before looking to fill these vacant posts. In the light of the new ESFA financial model requirements in particular, the February 2020 submission as discussed at the F&amp;GP meeting of 6<sup>th</sup> December this risk has been increased to High. As discussed at the F&amp;GP meeting the implementation of the replacement finance system has been delayed until 1<sup>st</sup> August 2021.</p> <p>The meeting was advised that there is no software available to support the new ESFA financial reporting requirements. The meeting acknowledged the difficulty in recruiting good finance staff, but that many people decide to change their jobs in January and the College should be ready to advertise its vacancies in January.</p> <p>A member asked whether the College should consider using interim finance staff until the vacant posts had been filled. The Principal advised that interim staff were expensive, and this option must be reviewed in the wider context of the College overall budget and implications of a deficit budget, especially triggering FE Commissioner intervention.</p> <p>The member noted that the cost of submitting incorrect financial returns to the ESFA was also expensive. The meeting agreed that the December Corporation meeting should be advised of the F&amp;GP and Audit Committees’ concerns regarding the resource needs of the College IT and Finance Teams.</p> <p>The Deputy Principal presented the Assurance Map as at November 2019 which shows that assurance levels for 21 of the 23 College strategic risks are high. Whilst a medium level of assurance regarding Risk 20 and Risk 23 may be given.</p> <p>The meeting noted the College Assurance Map dated November 2019.</p>
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<b>8.4 Budget 2019-20 Risk Register and Action Plan</b>	<p>The Deputy Principal presented the 2019-20 Budget Risk Register and Action Plan which had been discussed in detail by the Finance and General Purposes Committee of 6<sup>th</sup> December. The meeting considered each option and the consequences and risks associated with each option.</p> <p>The meeting acknowledged that the Budget Risk Register was a principal driver for the College going forward; the risks impacting upon its achievement have been identified and the College needs to decide how it proceeds. This requires difficult decisions, in essence, a balanced budget or deficit. The College has notional balanced budget 2019-20. Should it adhere to this or commit additional resources to IT and finance staff. The meeting agreed that this must be discussed and decided by the Corporation and that a deficit budget should only be considered as a short-term measure. The meeting noted that these challenges are not unique to Nescot, with most Colleges and Universities facing similar budgetary challenges.</p> <p>The Committee noted the College Strategic Risk Register and Risk Assurance Map as at 5<sup>th</sup> December 2019.</p> <p>The Clerk was tasked to provide A3 colour paper copies of</p> <ul style="list-style-type: none"> <li>i) College Strategic Risk Register</li> <li>ii) Budget 2019-20 Risk Register</li> <li>iii) Budget 2019-20 Action Plan</li> </ul> <p>For the December Corporation meeting.</p>
<b>09.19</b>	<b>GDPR</b>
<p>The Clerk introduced this item asking whether GDPR should be a standing item on the Audit Committee agenda. After discussion it was confirmed that GDPR is considered within the College Strategic Risk Register and so should be included in the Audit Committee agenda when there is a specific report.</p>	
<b>10.19</b>	<b>FRAUD STATEMENT</b>
<p>The Deputy Principal advised the Committee that no allegations of fraud had been made and there were no matters to be drawn to its attention.</p> <p>The member asked whether the College had been subject to any recent scams. The Deputy Principal advised that the College had received a telephone call from a person claiming to be from one of the College's suppliers requesting that the company bank details be changed. The member of the Finance Team politely declined to take instructions over the telephone and requested that any changes be submitted in writing.</p>	
<b>11.19</b>	<b>Health and Safety</b>

11.1 Health and Safety Report	<p>The Deputy Principal advised the meeting that the Head of Health, Safety and Security's November report had been discussed at the College Health &amp; Safety meeting of 13<sup>th</sup> November 2019. The report includes statistics from the summer term 2019 and updates regarding health and safety, fire and security matters.</p> <p>P3 records the 6 fire alarm activations which occurred during the summer term, the same number as in the Summer Term 2018. The meeting noted that all 6 incidents occurred in the Construction Department or the VAPA building.</p> <p>P4 states that the risk assessments are up to date. Four Safety Inspections remain outstanding.</p> <p>The first practice Lock down undertaken during staff CPD week on 7<sup>th</sup> November went really well. The aim being to ensure that staff know what to do. The next practice lock down will be undertaken during term-time.</p> <p>Two Student searches were undertaken during the summer term 2019.</p> <p>There is an issue this term with car park security regarding the theft of catalytic converters from parked cars. The College is working closely with Surrey Police. <u>Accident reporting</u>: 4 accidents to staff and 1 to a student were reported in the 4-month period May – August 2019.</p> <p>2 accidents relating to members of the public using NESBOT facilities were reported during this period, one of which was reportable under RIDDOR. Reportable.</p> <p>The meeting noted the report of the Health, Safety and Security Manager.</p>
11.2 Statement of Health and Safety Policy	<p>The Deputy Principal advised the meeting that this is a Mandatory Statement which Principal must sign to confirm the College's acceptance of its responsibilities to provide a safe and healthy working environment for its staff, students and visitors to the College. The Statement will also be tabled at the December Corporation meeting.</p>
<b>12.19</b>	<b>ANY OTHER BUSINESS</b>
<b>13.19</b>	<b>DATE AND TIME OF NEXT MEETING</b>
Friday 20 <sup>th</sup> March at 9am	

## Decisions (not quorate)

1. The Committee accepted the External Auditor's Management Letter and the draft Letter of Representations and recommended them to the December Corporation meeting.
2. The Committee recommended the draft Group Annual Report and Financial Statements 2018/19 to the Corporation Meeting of 12<sup>th</sup> December.

3. The meeting confirmed that they were happy with the completed Regularity Questionnaire and recommended its approval to the December Corporation meeting.
4. The meeting recommended the Internal Audit Annual Report 2018-19 to the December Corporation meeting.
5. The meeting requested that the Corporation consider the risk rating and existing levels of investment in the College IT systems.
6. The meeting recommended the approval of the College Risk Management Policy 2019-20 to the December Corporation meeting.
7. The meeting agreed that the December Corporation meeting should be advised of the F&GP and Audit Committees' concerns regarding the resource needs of the College IT and Finance Teams.

**Actions:**

1. The meeting requested that the table on p15 (financial results for 31<sup>st</sup> July 2019) contain the 2018-19 comparative figures when presenting the 2019-20 financial summary.
2. The member asked the Deputy Principal to check the notice period for the Investment fund.
3. The Deputy Principal agreed to check the 7.5 multiple figure on p63 of the Annual Report and Financial Statements.
4. The Clerk was tasked to provide A3 colour paper copies of
  - College Strategic Risk Register
  - Budget 2019-20 Risk Register
  - Budget 2019-20 Action Plan
 for the December Corporation meeting.

Signed ..... Date .....

**Chair of the Audit Committee**

Author	Josephine Carr
File Reference:	c:\users\david\onedrive - north east surrey college of technology\jocarr\audit committee\