

**GOVERNING BODY OF GODALMING COLLEGE**

**Minutes of the Audit Committee**

**Virtual Meeting**

**Monday, 29<sup>th</sup> November 2021 at 4.30pm**

Present:

Hamish Cameron Blackie (HCB)	Geoff Howes, Chair (GH)	Jeremy Pattison (JP)
Helen Warren (HW)		

In attendance:

Sarah Baudains, Finance Director (SB)	Ken Kehoe, Clerk (KK)
Emma Young, Principal (ELY)	Zoe Longstaff-Tyrrell, RSM (ZLT)

		<b>Action</b>
<b>1</b>	<b>Apologies for Absence</b>	
	Apologies for absence were received from Kate Hart, External Consultant and Shirley Price.	
<b>2</b>	<b>Declarations of Interest</b>	
	There were no declarations of interest for any items on the agenda.	
<b>3</b>	<b>Report and Financial Statements to 31st August 2020 and Audit Findings Report</b>	
	<p><u>Report and Financial Statements to 31st August 2019</u></p> <p>The Committee reviewed the Report and Financial Statements to 31st August 2021. ZLT drew the Committee's attention to changes in the report from previous years because of changes to Audit Standards, including on Fraud and Regularity. She advised that, based on the numbers of enrolled students, it was appropriate to make the "going concern" assumption.</p> <p>The Committee asked about the College's traditional policy of the salaries of Staff Trustees not being disclosed. ZLT noted that the issue was disclosed to the ESFA as an unadjusted disclosure in the audit findings report. This approach is in line with stance taken in other Trusts where the disclosures are not made. She undertook to provide the text of the regulations regarding the disclosure of staff trustee salaries.</p> <p><b>Action:</b> ZLT to provide the text of the regulations, regarding the disclosure of staff trustee salaries</p> <p><b>The Committee approved the Report and Financial Statements to 31<sup>st</sup> August 2021 for recommendation to the Full Board for approval.</b></p> <p><u>Audit Findings Report</u></p> <p>The Committee received the RSM Audit Findings Report. ZLT advised that the RSM had used data analytics to give a greater level of assurance. There was one control point on page 6 regarding the timing of when the College started depreciation. It should be from when the item was used, not from the start of the next academic year. This was not significant, however. The Audit Report would also be updated to reflect the re-classification of £31k of COVID monies from restricted to unrestricted funds.</p>	<b>ZLT</b>

	<b>The Committee approved the Audit Findings Report for recommendation to the Full Board for approval.</b>	
<b>4</b>	<b>External Auditors Confidential Discussion with Trustees</b>	
	ZLT said that there was nothing that she needed to discuss with Trustees without staff present. The Committee also had nothing to raise with ZLT.	
<b>5</b>	<b>Minutes of the meeting held on Thursday, 21<sup>st</sup> June 2021</b>	
	The minutes of the last meeting held on Thursday, 21 <sup>st</sup> June 2021 were approved by the Committee as an accurate record.	
<b>6</b>	<b>Matters Arising</b>	
	All matters arising were complete.	
<b>7</b>	<b>Documents for Approval</b>	
	<p><u>Audit Committee Terms of Reference</u> The Committee reviewed its Terms of Reference (ToRs).</p> <p><b>The Committee approved the Terms of Reference for the Audit Committee for recommendation to the Full Board.</b></p> <p><u>Risk Management Policy</u> The Committee reviewed the College's Risk Management Policy. ELY explained revisions to the policy.</p> <p>The Committee agreed that, under the role of the Board of Trustees, reference should be made to aiming for a balanced budget. They also agreed that the references to the Risk Register on Page 5 should make clear that the format of the Risk Register will be considered annually alongside the Risk Management policy but that the focus at each Audit Committee meeting should be in depth discussion of particular risks listed on the Register.</p> <p><b>Action:</b> ELY to amend the draft Risk management Policy to reflect the Committee's discussion.</p> <p><b>The Committee approved the Risk Management Policy for recommendation to the Full Board for approval, subject to the changes to reflect the Committee's discussion.</b></p>	<b>ELY</b>
<b>8</b>	<b>Risk Register</b>	
	<p>The Committee reviewed the Risk Register. The following points were made in discussion:</p> <ul style="list-style-type: none"> <li>• Risk 1 – The score should be kept 2*2. Scenario planning and the timetable for Board discussion should be added to the mitigation activities.</li> <li>• Risk 2 – The impact score should be reduced from 3 to 2, rather than 3 to 1.</li> <li>• Risk 3 – As an Outstanding College should it be aiming for higher than the national benchmark, but perhaps the top quartile. This should be the subject of further discussion.</li> <li>• Risk 4 – There should be a reference to the development of metrics. C&amp;Q Committee had asked for pastoral metrics. CPOMS also had a good reporting function.</li> <li>• Risk 7 – Trustees questioned whether this should be deleted given the ongoing COVID pandemic. ELY noted that the risk referred solely to unbudgeted costs and that the operational risks of the pandemic were covered under Risk 15.</li> </ul>	

	<ul style="list-style-type: none"> <li>• Risk 9 – Trustees asked that the risks associated with the in-house catering operation should be split into three separate risks relating to Health and Safety, Financial Risk and Operational Risk. Each section would have a different risk profile.</li> <li>• Risk 15 – The use of face-coverings should be added to the list of mitigation actions. Trustees also asked about the risks associated with College events such as the Christmas Concert. ELY explained that she had been in contact with Surrey Public Health and that their advice was that events could take place with additional mitigations. ELY had instructed the relevant Departmental Heads on the necessary mitigations and would keep the matter under continuous review.</li> </ul> <p><b>Action:</b> ELY to update the Risk Register as agreed.</p> <p><b>The Committee approved the Risk Register for recommendation to the Full Board for approval subject to agreed update.</b></p> <p>The Committee considered the Risks Register that should be subject to an in-depth review. They agreed that Risks 1, 4 and 8 should be scheduled for in-depth review, taking account of the Internal Audit work programme. The Safeguarding LINK Trustee should be invited to the in-depth review of the Safeguarding risk.</p> <p><b>Action:</b> ELY to bring forward recommendations for the Risk review.</p>	<p>ELY</p> <p>ELY</p>
<b>9</b>	<b>Whistleblowing</b>	
	There have been no reports received.	
<b>10</b>	<b>Governance SAR: Audit Committee</b>	
	<p>The Committee agreed that its key objectives for the coming year should be:</p> <ul style="list-style-type: none"> <li>• To carry out a programme of in-depth reviews of significant individual risks.</li> <li>• To oversee the tender process for the External Auditors.</li> </ul>	
<b>11</b>	<b>LINK Trustees</b>	
	The Committee considered the Chairman of the Board’s paper on LINK Trustees. Trustees agreed that there was a risk of compartmentalization if a LINK Trustee model was adopted. It made sense if an individual Trustee had particular skills, or expertise, for that Trustee to lead on an issue but not otherwise.	
<b>12</b>	<b>Any Other Business</b>	
	SB informed the Committee that she would be carrying out a tender process for the External Auditors with a view to making recommendations to the next meeting of the Committee in March. It would be for the Committee to make a recommendation to Members. Members would be asked to pass a Written Resolution appointing the External auditors. The Chair of the Audit Committee would be engaged in the Tender Process.	
<b>13</b>	<b>Dates of future meetings</b>	
	Monday, 14 <sup>th</sup> March 2022 Monday, 27 <sup>th</sup> June 2022	

The meeting closed at 5.53pm.

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