

Minutes of: Audit Committee **DRAFT**

Date: 02nd December 2024 **Location:** College Road Campus, A5

Present	In attendance
Jennette Arnold (<i>Committee Chair</i>) Kate Seekings (<i>online - present until 14:30</i>) Judy Balderson	Carol Davey (<i>Forvis Mazars</i>) Steen Gourlay (<i>TIAA</i>) collectively referred to as " <i>Auditors</i> " Tim Williams (<i>Finance Director</i>) Jane Simons (<i>College Accountant</i>) Abigail Appleton (<i>Principal & CEO</i>) collectively referred to as " <i>Officers</i> " Abigail Boyce (<i>Clerk to Governors</i>)
Quoracy: Meeting was quorate until 14:30, as stated in paragraph 1 below.	Absent: None

- 1. Quorum** – The meeting was duly convened as a quorum of three members was present, satisfying the quorum requirement set out in Section 3, Clause 2.3 of the Standing Orders (*Audit Committee Terms of Reference*). The meeting was quorate with three members present until 14:30, at which point the quorum was no longer met. As a result, the Committee prioritised the discussion of items requiring approval before this time (*items 6, 8 and 9b below*). The minutes do not reflect the order of discussion, as they have been aligned with the agenda, but it should be noted that the approval items were discussed first to ensure decisions could be made while the meeting remained quorate.
- 2. Apologies for Absence** – no apologies were received.
- 3. Declarations of interest** – no new declarations were noted.
- 4. Confidential discussion with Auditors without Officers Present (Annual meeting required by ACOP)** - see separate minutes.

Main Agenda (all present)

- 5. Minutes of the last meeting**
 - a. Approval of minutes of last meeting held on 10th June 2024** - Minutes were approved as a true and accurate record.
 - b. Matters Arising** – The Finance Director (*FD*) provided a brief explanation regarding the bank mandate and the issues that had arisen. The bank mandate is to be approved as per internal audit recommendations. The Committee expressed gratitude to Kay Sandford-Beal, who has stepped down as a co-opted member.

6. Value for Money Annual Report to 31 July 2024

The Finance Director (FD) provided background, noting minimal changes compared to the 2023 report. It was mentioned that more significant building updates are anticipated for 2024. The paper was approved by the Committee, subject to minor corrections.

7. ACOP regularity self-assessment questionnaire

The FD explained the purpose of the assessment, emphasising its role in outlining that College expenditure is only used for correct purposes. The assessment is subsequently reviewed by the Auditors, who identify any issues. It requires formal sign-off by the Principal and the Chair of the Corporation. Forvis Mazars highlighted the Board's responsibility to ensure they are comfortable with the expenses and can demonstrate this understanding. The document is significant as it satisfies regulatory requirements and references standards expected by auditors. Forvis Mazars confirmed that the document aligned with their expectations.

8. Members' Report and Financial Statements to 31 July 2024 - (for approval and Board recommendation)

The FD noted that the documents were in draft form and would undergo minor revisions before the December Board meeting. Adjustments had been made to reflect increases in certain expense categories, which had caused the college to fall into the "Requires Improvement" Financial Health category. These changes had been raised at F&GP. The Committee approved the documents, subject to any revisions being clearly flagged at the Board meeting. The adjustments, though not material, impacted the financial health category of the college. The FD assured the Committee that the adjustments were incorporated into the figures presented and highlighted that the Department for Education was aware of this change to Financial Health category and reason for it. It was agreed that the figures would be presented to the Board, with the caveat that proofreading for dates would be completed. Approved by the Committee.

a. TIAA Internal Auditor's Annual Report for the year ended 31 July 2024

TIAA walked the Committee through the report, explaining the ratings provided. They confirmed that no significant issues were identified.

b. Forvis Mazars' Audit Completion Report for the year ended 31 July 2024

Forvis Mazars briefed the Committee on the report and emphasised the importance of ensuring that all governors' declarations of interest are signed before they leave. Forvis Mazars confirmed that they were satisfied with everything found during the review. They discussed the pension scheme and the asset position, confirming that this was in line with accounting standards. Forvis Mazars explained the graph comparing HCA with other colleges. The audit reports were the same as the previous year, and Forvis Mazars confirmed their independence. They also mentioned operating leases and discussed how in 2026 asset values for leases would need to be shown on the balance sheet. Forvis Mazars confirmed there would be guidance available for this. In terms of student accommodation, Forvis Mazars noted that it was a significant lease issue for some colleges and universities but not for HCA as the nomination agreements would not be regarded as a lease.

c. Audit Committee's Annual Report to 31 July 2024

The Chair presented the report to the Committee and invited any queries or feedback. The Committee confirmed their approval of the report, subject to some minor typos being corrected.

d. Letter of representation: i) College ii) Regularity

It was noted that the letter of representations were standard boilerplate letters, confirming compliance with regulations. The Committee approved it.

9. Internal Audit reports

a. TIAA Summary Internal Controls Assurance (SICA) Report – November 2024

TIAA provided background information and outlined potential improvements for the report. The FD requested clarification on the new internal audit standards. The FD will confirm with the Internal Auditor regarding possible training on the new internal audit standards.

b. TIAA Internal Auditor's Annual Strategy and Annual Plan 2024/25 (for approval and Board recommendation)

The report included the annual plan and three-year strategy. Business continuity was included as one of the internal audits for 2024/25. The report included the internal audit charter. The report was approved by the Committee and will be presented at the next board meeting.

c. Assurance Review of Student Wellbeing

The Committee reviewed the operational report and noted the audit had substantial assurance. It was observed that there has been an increase in students requiring additional support. The Committee asked if this had been discussed at the Board, and it was confirmed that it had not yet been raised. The Principal noted that this matter had been addressed at the Curriculum and Quality Committee. The Committee further inquired about the different categories for disability and how the self-declaration process works. It was agreed that this topic would be discussed in more detail at the December Board meeting, with a workshop scheduled for Governors to provide further explanation.

10. Risk Management: Risk Register and Report and Audit Recommendation Tracking Report

Due to the late receipt of these documents, the Committee agreed to review them after the meeting and provide any feedback to the Chair. The Chair will then meet one-on-one with the Finance Director to discuss the comments.

11. Confidential discussion with Officers without Auditors Present - see separate minutes.

12. Close of Business and Date of Next Meeting

With no further business to discuss, the Chair adjourned the meeting at 3:30 PM. The next meeting is scheduled for 7th April 2025, at 1:30 PM.

Minutes approved: Date: