

## Preston's College

### Minutes of the Audit Committee Meeting held on 28<sup>th</sup> October 2020 at 5.30pm via Zoom

#### Present:

Mr M Driver	Chair
Mr S Browne	
Cllr J Mein	
Mr D Patel	from Minute 5
Mr T Readett	from Minute 4

#### In attendance:

Ms C McCourt	Audit Manager – Grant Thornton
Mr S Nixon	Executive Director – Resources
Ms L Randall	Internal Audit, RSM
Mrs C Rayner	Clerk to the Board
Dr E Smith	Principal & Chief Executive

#### 1. Welcome and Apologies

The Chair welcomed everyone to the meeting. He thanked all participants for attending the additional meeting during a busy period.

The Committee noted that Mr Readett was experiencing technical difficulties with joining the meeting.

It was noted that a quorum was present.

#### 2. Declarations of Interest

No declarations of interest were noted.

#### 3. Introduction of new external auditor

The Chair introduced Ms McCourt, Audit Manager – Grant Thornton.

Ms McCourt reported that Grant Thornton were currently working on the financial statements audit and gave apologies on behalf of Mr Frankish, Engagement Lead, who was on annual leave and would also attend Audit Committee meetings going forward.

Ms McCourt confirmed that Grant Thornton had corresponded with KPMG, the College's previous external auditors, regarding the change of auditor and KPMG had confirmed there were no circumstances which meant Grant Thornton could not accept the audit appointment. She confirmed that Grant Thornton did not require any further information from KPMG.

**Resolved: The Committee noted the introduction of Grant Thornton, the College's new external auditor.**

#### 4. External Audit Strategy and Plan

Ms McCourt, Audit Manager – Grant Thornton, presented her report: The Audit Plan for Preston’s College, dated October 2020, for the year ended 31<sup>st</sup> July 2020. She reported they were in the field work stage of their first financial statements audit of the College. She made reference to:

- review of the impact of Covid and whether this could impact on the auditors’ “going concern” disclosure;
- significant risks identified, including a review of asset impairment assumptions in light of the impact of Covid;
- pension scheme obligations and necessity to review investment assumptions;
- logistics and the audit timeline;
- the team were gaining understanding of the College’s funding streams; processes and controls.

In response to queries from members, Ms Mc Court confirmed:

- that field work was different in 2020 as auditors were not on site. She confirmed that the College’s finance team had been very responsive to remote queries. However, some requests took longer if the finance team needed to get information from other staff, especially if staff were working remotely;
- the financial statements audit reviewed the previous year and also looked forward as external auditors needed to make a statement on whether in their opinion the College was a going concern a year from the date of the audit.

The Committee noted the plans for interaction between internal and external audit.

The Chair asked for the positive feedback from Grant Thornton to be conveyed to the finance team.

The Committee considered the External Audit Plan and agreed to recommend the plan to the Board.

The Committee noted that it would advise the Board on the external audit strategy and financial statements audit as part of its annual report to the Board in December 2020.

**Resolved: The Committee agreed to recommend the External Audit Plan for the year ending 31<sup>st</sup> July 2020 to the Board.**

**The Committee noted that it would advise the Board on the external audit strategy and financial statements audit as part of its annual report to the Board in December 2020.**

#### 5. Internal Audit Strategy and Plan

Ms Randall, Internal Audit, RSM, presented the Internal Audit Strategy for 2020/21 – 2022/23, dated 28<sup>th</sup> October 2020. She reported:

- on conducting audits remotely during lockdown;

- the normal follow up reviews taking place;
- the proposed internal audit activity for 2020/21 was based on analysing the risk register as well as other factors;
- internal audits proposed including reviews of Quality Framework and Compliance, People Strategy, Online- enrolment process; Key Financial Controls – Income Management, Safeguarding and Prevent, IT- mobile working and ongoing follow up work;
- other assurance work including review of succession planning in 2021 due to the recruitment of a new Principal and Chief Executive.

In response to query, Ms Randall confirmed the team could access the information they needed from the College whilst working remotely. She explained during the pandemic it had sometimes taken a little longer to obtain information due to staff needing to prioritise other matters or due to remote working. For example, there had been good reasons for the delay in follow up activities on the apprenticeship review audit.

Members discussed:

- new areas to audit which could not have been anticipated for 2020/21 such as the health and safety implications for campus due to Covid and the lockdown and move to remote working;
- the importance of safeguarding for learners during the shutdown and additional resources required by the College to support learners. The Principal and Chief Executive outlined the support provided.

The Principal and Chief Executive queried whether the time allocated for each planned audit could be reviewed to see if c. 3 -4 days could be allocated as contingency. She explained this could be helpful if any higher risk audit areas were identified during 2020/21.

Following discussion, the Committee agreed that some flexibility would be helpful in 2020/21. Ms Randall undertook to explore whether this would be possible.

The Committee noted that it would advise the Board on Internal Audit Strategy and plan for 2020/21 - /2022/23 as part of its annual report to the Board in December 2020.

**Resolved: The Committee agreed to recommend the Internal Audit Strategy for 2020/21 – 2022/23 and fees to the Board.**

**Action: RSM to review the internal audit plan to see if any the planned audits could be reduced in hours to allow additional contingency during 2020/21.**

**6. Forward Work Programme**

The Clerk referred members to the draft Audit Committee Forward Work Programme for 2020/21. She reported that a report on Senior Post Holder expenses would be added to the November and March meetings.

The Committee approved the draft Audit Committee Forward Work Programme 2020/21.

**Resolved: The Committee approved the Audit Committee Forward Work Programme.**

**7. Date of next meeting**

The Committee noted the next meeting would be held on 25<sup>th</sup> November 2020. The Chair thanked all participants for attending and in particular thanked Mr Browne for joining the Audit Committee.

*The Meeting closed at 2:43pm*