



MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD 16 NOVEMBER 2021

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|----------------|--------------------------|-------------------------------------|
| Present: | Mr Stephen Hewes (Chair) | |
| | Mr Gerard Weide | |
| In Attendance: | Ms Kim Saw | - Director of Finance |
| | Mr Jon Allen | - Clerk |
| | Mr Scott Macready | - Wylie & Bisset (Internal Auditor) |
| | Ms Zoe Longstaff-Tyrrel | - RSM (Financial Auditor) |
| | Mr Stuart Wilcox | - Risk Champion |
| | Mr Chris Whelan | - Chief Executive, Reigate LA |

The meeting commenced at 1730.

CONFIDENTIAL SESSION

1. Before considering the annual report from the Audit & Risk Committee, a later agenda item, the Committee held a confidential session without College management being present in accordance with its terms of reference.
2. No issues of concern were raised by either the External Auditor or the Internal Auditor in attendance.

WELCOME, APOLOGIES & DECLARATIONS OF INTEREST

3. The Chair welcomed everyone to the meeting. There were no apologies. There were no declared interests against any of the agenda items.

MINUTES

4. It was **RESOLVED** to note the minutes of the Audit & Risk Committee meeting held 22 June 2021.
5. It was **RESOLVED** to note the minutes of the Audit & Risk Committee meeting held 07 September 2020

SUMMARY ACTION LIST & MATTERS ARISING

6. The '*Summary Action List*' was received and reported on the following action points from the previous meeting:

| MIN REF | ACTION POINT | UPDATE PROVIDED AT THE MEETING |
|-------------------|--|---|
| June meeting - 8 | CEO to seek further assurances from the IT Department that testing on the College's back-up server arrangements has been successfully carried out. | It was confirmed back-up arrangements were subject to robust testing and were successfully carried out with no loss of data. Further consideration to be given to using iCloud as a back-up source. |
| June meeting – 12 | <ul style="list-style-type: none"> • To add to the Committee's schedule of business to carry out at the spring term meeting a review of the Trust's policies on fraud, bribery, irregularity and public interest disclosure. • To add to the Committee's schedule of business to meet at the autumn meeting with the internal auditor and the financial statements and regularity auditor privately in a closed session | Actioned |
| June meeting - 14 | The internal audit service to do a follow-up to confirm the full implementation of the two action points relating to start and end dates on the ILRs | This to be done during the 1 st audit visit scheduled week beginning 29/11 and outcomes of the follow-up work to be reported on at the February 2022 meeting of the Audit & Risk Committee |
| June meeting - 20 | <ul style="list-style-type: none"> • Remove reference to 'Godalming College' on page 9 of the Audit Plan on the Financial Statements • Ensure the risks in the Risk Register and the risks summarised in the commentary in the Financial Statements are in-line with one another, with a summary in the commentary on the mitigation of the risks. • Publish the Trust's Whistleblowing Policy on the Trust's website. • Publish the 'Gender Pay Report' on the Trust's website. | Actioned |
| June meeting - 21 | The Committee to hold a conference call meeting in September with Wylie & Bisset to agree the internal audit plan for 2021/22. | Meeting held and Internal Audit Plan agreed. |
| June meeting - 31 | As part of the health check to be undertaken by the newly appointed internal audit service, to undertake a review of the Trust's Risk Register. | To be done during the 1 st audit visit scheduled week beginning 29/11 and to be reported on at the February |

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| | | 2022 meeting of the Audit & Risk Committee |
| September meeting - 11 | To approve the ' <i>Audit Needs Assessment Plan 2021/22 – 2023/4</i> ', subject to flexibility of the possible inclusion of an audit review of 'Safeguarding' instead of conducting a funding review if the College has not been subject to an Ofsted inspection by next March, | An audit of safeguarding arrangements to be undertaken if the College has not been subject to an Ofsted inspection by March 2022. The Chair considered the need to include in the 'Audit Needs Assessment Plan' additional auditing of financial controls, especially in light of the recent significant spends such as the Refectory capital project. It was noted that in the agreed audit plan schedule an audit of procurement was to be undertaken in 2022/23. It was AGREED to bring the audit of procurement forward into this year, and to defer the audit on GDPR that was scheduled to take place this year to 2022/23. W&B to update their ANA document. |
| September meeting 14 | The IAS to work with the senior management team on developing a definition for 'Risk appetite' for further consideration by the Audit & Risk Committee and ultimately Trust Board approval | To be done during the 1 st audit visit scheduled week beginning 29/11 and to be reported on at the February 2022 meeting of the Audit & Risk Committee |

7. There were no other matters arising.

AUDIT PROGRESS CHECK

8. There was no report to present to the Committee. As confirmed under the agenda item '*Summary Action List*', the internal audit service will undertake a follow-up review to confirm the full implementation of the two action points relating to start and end dates on the ILRs.

INTERNAL AUDIT

9. The '*Internal Annual Report 2020/21*' issued by Macintyre Hudson was received. The report confirmed the following Head of Internal Audit Opinion for 2020/21:

Based upon the work undertaken, in our opinion Reigate Sixth Form College has adequate and effective management, control and governance processes in the areas examined by us which should enable the Reigate Sixth Form College to manage the achievement of its objectives.

Our work however, has identified some enhancements to the design and / or operation of the system of internal control, risk management and governance to make it more effective in the future.

10. The Committee welcomed the level of assurance confirmed in the Annual Report.

FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021 REIGATE LEARNING ALLIANCE

11. A copy of the Trust's draft '*Financial Statement and Annual Report 2020/21*' was made available along with the '*Audit Findings Report Year ended 31 August 2020*' issued by RSM, the College's financial auditors. Ms Zoe Longstaff-Tyrrel from RSM was in attendance to present the audit report for this agenda item.

12. The agreed process for reviewing and approving the Financial Statements requires the Finance & Resources Committee, in the first instance, to review the financial information and financial commentary in the year-end accounts and, once reviewed, to inform the Audit & Risk Committee of the outcomes of their review. The Audit & Risk Committee will then consider the outcomes of the review conducted by the Finance & Resources Committee, and to consider all audit and assurance opinions received on the adequacy of the operation of financial and other controls before making any final approval recommendations to the Trust Board regarding the accounts.

13. It was confirmed that the Finance & Resources Committee carried out a review of the commentary and financial information at its meeting, held on 09 November 2021, and no issues of concern were to be brought to the attention of the Audit Committee.

14. The Financial Statement Auditor is required to issue two audit opinions, either 'unqualified' (good); or 'qualified' (not good):

- An opinion on the financial statements;
- An opinion on the regularity of financial transactions.

15. The financial statement auditor confirmed they will issue an unqualified opinion on the 2020/21 accounts. The auditors also confirmed the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Companies Act 2006; and
- Have been prepared in accordance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

16. The report confirmed an unqualified regularity audit opinion for 2020/21.

17. The '*Audit Findings Report*' raised one internal control issue with reference to the Register of Interests and of the requirement for Trustees to register details of any directorships held. It was confirmed the Register of Interests has been updated to now include all Trustee's directorships and employments held, with the Register published on the Trust's website.

18. It was **RESOLVED** to recommend that the Trust Board, at its meeting on 07 December 2021, approves the '*Financial Statements Year Ended 31 August 2021*'.

19. The Chair thanked Ms Zoe Longstaff-Tyrrel who left the meeting at the conclusion of this agenda item.

BOARD ASSURANCE FRAMEWORK, RISK REGISTER, AND RISK MANAGEMENT ACTION PLAN 2021/22

20. The '*Board Assurance Framework, Risk Register, and Risk Management Plan for 2021/22*' was received for review for the Trust Board to approve at its December meeting.

21. It was noted that the Board Assurance Framework and Risk Register were subject to review at the June meeting of the Committee. It was confirmed the changes agreed at the June meeting have been fully incorporated.

22. It was noted the policy has been updated to reflect the job title of the new Risk Champion.

23. The Risk Register has been subject to a further review this term and the updates arising from the review were noted. Due to the continuity uncertainty on the impact of Covid-19 no changes had been made to the assessment scores.

24. Following review, it was **AGREED** to recommend that the Trust Board at its meeting on 07 December 2021 be asked to approve the '*Board Assurance Framework, Risk Register, and Risk Management Plan for 2021/22*'

BOARD ASSURANCE FRAMEWORK - ASSESSMENTS CONDUCTED BY COMMITTEES (AUTUMN TERM MEETINGS)

25. Under the Board Assurance Framework (BAF), each Committee is asked to conduct at the end of their meeting an assessment on their level of assurance agreed against each report received (including briefings and verbal updates), and for the assessment to be reported to the Audit Committee and Trust Board (The assessments being: Green = high assurance - no additional actions or monitoring are recommended at this point; Amber = medium assurance – a further report is likely to be required at the next meeting; Red = low assurance - additional actions are likely to be required and reported at the next meeting).

26. The following Board Assurance assessments were noted:

(I) Local Governing Body meeting 19 October 2021

| Agenda Item | Subject | RAG rating | Any Committee Recommendation(s) |
|-------------|----------------------------|------------|--|
| 6 | Admissions & Numbers | | No recommendations |
| 7 | Draft Outcome Data 2020/21 | | No recommendations, but the outcome data in terms of benchmarking can only be indicative due to the absence of validated national data and DfE performance tables. Therefore, there is no high level of assurance possible on how the College is performing against other colleges. College outcomes for |

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| | | | 2020-21 were excellent. The issue is more about the inability to benchmark against validated national rates. |
| 8 | Draft Self-Assessment Report & Development Plan | | Still work in progress – final version to be considered at the next LGB meeting. |
| 9 | Student Voice | | No recommendations |
| 10 | Staff Voice | | No recommendations |

(ii) Finance & Resources Committee meeting 9 November 2021

| Agenda Item | Subject | RAG rating | Any Committee Recommendation(s) |
|-------------|---|------------|---------------------------------|
| 7 | Management Accounts | | No concerns/no recommendations |
| 8 | Financial Statement Year Ended 31 August 2021 | | No concerns/no recommendations |
| 8 | Reconciliation Statement | | No concerns/no recommendations |
| 8 | Financial Statement Auditor's 'Audit Findings Report' | | No concerns/no recommendations |
| 9 | Review of Contracts | | No concerns/no recommendations |

BOARD ASSURANCE FRAMEWORK - ASSURANCE ASSESSMENT CONDUCTED BY THE AUDIT & RISK COMMITTEE 16 NOVEMBER 2021

27. The following assessments were **AGREED** on reports considered at this meeting:

| Agenda item number | Subject | RAG Rating | Any Committee Recommendation(s) |
|--------------------|--|--------------|---|
| 6 | Audit Progress Update | N/A | No items to report |
| 7 | Internal Audit Annual Report 2020/21 | GREEN | No concerns and the Committee welcomed the level of assurance received from the internal auditor. |
| 8(i) | Financial Statements for the year ended 31 August 2021 | GREEN | No issues of concern and the Committee welcomed the level of assurances received from the financial auditor |
| 8(ii) | Audit Findings Report issued by RSM | GREEN | No issue of concern and the Committee welcomed the level of assurances received from the financial auditor |

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| 9(i) | Risk Management & Board Assurance Framework Policy 2021/222 | GREEN | No issues of concern - All previous recommendations to enhance the policy and Risk Register were incorporated into the policy. The IAS to work with the senior management team on developing a definition for 'Risk appetite' for further consideration by the Audit & Risk Committee and ultimately Trust Board approval. This will be done during the 1 st audit visit scheduled week beginning 29/11 and outcomes to be reported on at the February 2022 meeting of the Audit & Risk Committee. |
| 9(ii) | BAF Assessments conducted by Committees | GREEN | No issues of concern. |
| 10 | Audit Committee Annual Report | N/A | This report provides assurance from the Audit Committee to the main board |

AUDIT & RISK COMMITTEE'S ANNUAL REPORT 2020/21

28. The draft 'Annual Report 2020/21 from the Audit & Risk Committee' was received.

29. There is a requirement for an annual report of the Audit & Risk Committee to be issued to both the Board and the Chief Executive Officer as the Accounting Officer of the Trust. The annual report should be used as a summary document explaining the work of the Committee during the course of the year.

30. The Annual Report must offer an opinion from the Audit & Risk Committee to both the Board and Chief Executive. The Audit & Risk Committee agreed the following opinion:

The Audit & Risk Committee, through review of auditors' reports and discussion with auditors and Reigate Learning Alliance managers, has arrived at the opinion that the Alliance had adequate and effective assurance frameworks, framework of governance, risk management and control processes for the effective use of resources, solvency of the institution and the safeguarding of its assets.

The Audit & Risk Committee formally records, through the annual opinion of the Committee, appreciation of the hard work and professionalism shown by the Executive, Managers and all staff during the academic year 2020-21.

The Audit & Risk Committee recommends the Trust Board approves the Annual Report and Financial Statements for the year ended 31 August 2021 for Reigate Learning Alliance and to authorise the Chief Accounting officer/Chief Executive Officer and the Chair of the Trust Board to sign the Financial Statements.

31. It was **RESOLVED** to approve the Audit & Risk Committee's Annual Report 2020/21 and to submit the report to the Trust Board at its meeting on 07 December 2021.

TENDERING EXTERNAL AUDIT SERVICE

32. The Academies Financial Handbook issued for 2021-22 has the following requirement:

Under the Companies Act 2006, academy trusts must appoint an auditor to give an opinion on whether their annual accounts present a true and fair view of the trust's financial performance and position (appointment being by the members, other than where the Companies Act permits the trustees to appoint – for example for the trust's first period of account). Trusts should retender their external audit contract at least every five years.....

33. With the formation of the Trust as of 01 September 2017, the period of five years will be up to 31 August 2022. It was **AGREED** to undertake a tendering exercise in the Spring of 2022 using the consortium services that were recently used for the tendering of the Internal Audit Service. The selection of the external auditor should be undertaken with a view to appointing the external auditor at the RLA Members' meeting in July 2022, for commencement in September 2022.

ANY OTHER BUSINESS

34. There was no other business.

DATE OF NEXT MEETING

35. Tuesday 08 March 2022 @ 17.30.

The meeting closed at 18.20

Signed: _____ Date: _____
(Chair)

| MIN REF | ACTION POINT | WHEN |
|--|---|---------|
| June meeting – Minute Ref :14 | The internal audit service to do a follow-up to confirm the full implementation of the two action points relating to start and end dates on the ILRs | 8/3/22 |
| June meeting – Minute Ref: 31 | As part of the health check to be undertaken by the newly appointed internal audit service, to undertake a review of the Trust's Risk Register. | 8//3/22 |
| September meeting – Minute Ref: 11 November – Minute Ref: 3 | To approve the 'Audit Needs Assessment Plan 2021/22 – 2023/4', subject to: 1. Flexibility of the possible inclusion of an audit review of 'Safeguarding' instead of conducting a funding review if the College has not been subject to an Ofsted inspection by next March. 2. To bring the audit of procurement forward into this | 8/3/22 |

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| | year, and to defer the audit on GDPR that was scheduled to take place this year to 2022/23. | |
| September meeting Minute Ref: 14 | The IAS to work with the senior management team on developing a definition for 'Risk appetite' for further consideration by the Audit & Risk Committee and ultimately Trust Board approval | 8/3/22 |
| November – Minute Ref: 34 | To undertake a tendering exercise in the Spring of 2022 using the consortium services that were recently used for the tendering of the Internal Audit Service. | 8/3/22 |