



HOPWOOD HALL COLLEGE

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON THURSDAY 16TH JUNE 2022

Meeting Commenced: 8.00am

Meeting Ended: 9.30am

Attendance: 66%

Quorum 3

Governors Present:

Clive Reid (Chair), Greg Walsh, Cathy Berry, Chris Ogbekhiulu

In Attendance:

Jo Bentley	Executive Director Finance & Estates
Matthew Taylor	Executive Director Performance & Planning
Patrick Clark	ICCA
Rory McCall	Wylie & Bissett
Fatema Hussein	Clerk to the Corporation

1. Apologies for Absence

The new Co-opted member Chris Ogbekhiulu was welcomed and introduced to the meeting.

Apologies had been received from Lee Sugden and Vanda Hagan.

2. Declarations of Interest

Members were invited to declare any direct, indirect, personal, pecuniary or prejudicial interest on any item on the agenda.

There were no declarations made.

3. Approval of the Minutes – 17th March 2022

Agreed that: the minutes of the meeting held on 17th March 2022 are approved as a correct record and authorised for publication

4. Matters Arising from the Minutes

The action progress log was reviewed and it was noted that legal advice on sub-contracting rules was still being awaited. The contract was a long-standing arrangement with Rochdale Council and was low risk.

Following a discussion, it was agreed that the contract was sent to Greg Walsh to review. Greg also agreed to provide details of a legal advisor that College could approach.

ACTION:

- Executive Director Performance & Planning to send contract to Greg Walsh
- Greg Walsh to provide contact details of legal advisor

5. ESFA Funding Audit Outcome

Discussed under Reserved Business.

6. Internal Audit Reports - ICCA

ICCA presented the reports with the following points highlighted to the Committee:

6.1 Financial Strategy and Budgetary Control

- A Substantial assurance opinion had been issued with no recommendations
- The process of budgeting linked in well with curriculum planning
- Budget lines were well justified
- The budget had gone through all appropriate approval processes

6.2 Marketing Strategy

- A Substantial assurance opinion had been issues with 2 medium risk recommendations

Governor Questions

Q. Had College considered using Technology to undertake admissions interviews for students as an alternative option?

A. Online interviews were undertaken during the Covid lockdowns when face to face was not possible. College did however prefer to provide information, advice and guidance face to face

6.3 Sub-Contracting Certificate

- This was an ESFA requirement as College had subcontracted provision to the value of £231,000
- The overall outcome was positive and most areas were fully compliant
- Two areas were partially compliant and 2 recommendations had been made

7. Internal Audit Plan 2022/ 2023 – ICCA

ICCA presented the audit plan and strategy for 2022/2023 and the approach to developing the plan and updated strategy. This included

- Obtaining a copy of the College's Strategic Plan, latest risk register, management accounts, and funding performance report
- Completing an organisational assessment of risks, performance and gaps in assurance in conjunction with management
- Mapping the results of the assessment and the College's identified risks with potential auditable areas

The 2022/23 plan would cover the following areas:

- 16-18 Student Journey – Retention and Progression
- GDPR – High Level Review of Compliance

- Business Continuity Planning and Emergency Planning Procedures
- Anti-Fraud and Corruption Controls
- Direct Study Tutorials and Work Placements
- Apprenticeship Progress and Controls
- Kit Shop Review
- Asset Management
- 33 days had been allocated for the above work

The Executive Director of Performance & Planning advised that the guidance on Apprenticeships had changed and there was now a requirement to evidence the 20% off the job training.

ACTION:

ICCA to check and amend the plan to reflect the latest guidance on Apprenticeships

RESOLVED:

The Committee agreed that the plan was submitted to the Board for approval.

8. External Audit Planning Report – 2021 / 2022 - Wylie & Bissett

Rory McCall from Wylie & Bissett presented the report and explained that:

- The scope of the audit would be similar to last year including the financial reporting
- The Wylie & Bissett audit approach was risk based and focused on the key risks facing the College
- The principal audit objective was to obtain sufficient, relevant, and reliable audit evidence to enable Wylie & Bissett to express opinions on the financial statements of Hopwood Hall College for the year ended 31 July 2022
- The audit would be performed so as to provide reasonable assurance that the financial statements were free of material misstatement and give a true and fair view
- Planning materiality would be calculated as 1% of total incoming resources
- The final materiality figure would be calculated on receipt of the draft management accounts to 31st July 2022
- Any errors identified in excess of trivial level, being 5% of overall materiality, would be reported to the audit committee

Quest Pennine

- The nature and scope of the audit for Quest Pennine Ltd would be similar to last year
- As a company, the accounts of Quest (Pennine) Limited would be prepared under the Companies Act legislation 2006 and in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP)
- The audit would be performed so as to provide reasonable assurance that the financial statements were free of material misstatement and gave a true and fair view

RESOLVED:

That the Audit Planning report be received and noted.

8.1 Engagement Letter

RESOLVED:

The Engagement letter was reviewed and it was agreed that this was recommended to the Board for approval.

ACTION:

Clerk / Board Agenda

9. Audit & Risk Management Update

The following update was provided by the Executive Director of Finance and Estates:

- The Risk Management Group had met on 23 May to review and discuss the College's risk register and top 10 risks prior to the Audit committee meeting
- Following the review, there were now 21 Corporate risks on the register
- 2 Risks had been removed from the register and 2 new risks identified
- The following risks had been added to the register:
 - Risk of defunding of a number of level 3 qualifications in favour of T levels and impact on learners/funding from Sept '24
 - Changes to the OfS funding framework.

Internal Audit Recommendations Tracker

It was noted that a number of audits were still in progress. Out of the 26 recommendations, 21 had been implemented, with 4 not yet due and 1 had been deferred.

Governor Questions

Q. How were the top 10 risks identified and agreed?

A. These were based on the overall residual risk both major and severe

10. Meeting between the Auditors and the Audit Committee

An opportunity for Auditors to discuss any matters with the Audit Committee to the exclusion of College management.

ICCA and Wylie & Bissett confirmed that there were no matters that they wished to discuss with the Audit Committee to the exclusion of College management.

11. Date and Time of Next Meeting

Wednesday 21st September 2022 at 8.00am

*Standing Item

Chair's Signature:

Date: