



Minutes of the electronic and inaugural Meeting of the Audit Committee (AC) held at 1630hrs on 15 December 2020.

Present	Alison Davies (Chair)	Peter Walker	Mark Woods	
In Attendance	Ralph Devereux (Secretary)	Lee Glover (Haines Watts)	Charlotte Hobday (FD)(PC)	Liz Knight (UCP AD)
	Rachel Nicholls (IEG DCEO)	Louise Perry (CFO)		

01/20 ELIGIBILITY, QUORUM, DECLARATION OF INTERESTS

- a. No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate and there had been no interests declared.
- b. Alison Davies was confirmed as Chair. **(Action 1)**

02/20 STANDING ITEMS

- a. Chair's Comments. The Chair welcomed all to the inaugural meeting of the University Centre Peterborough (UCP) AC and all present introduced themselves.
- b. There were no requests for urgent business.
- c. The meeting process:
 - (i) each presenter would briefly outline the information in the paper followed by questions; and
 - (ii) where decisions were required each Member would indicate individually using the "Google Meet" facility, which would be visible to all members. **(Action 2)**

The information was received and noted;

Actions had been noted. (Register at 09/20).

03/20 TERMS OF REFERENCE (TOR)

The draft TOR had been drawn up by Eversheds during administration of the dissolution of the joint venture (JV) arrangements with Anglia Ruskin University (ARU). The Secretary commended them to the Committee and they were unanimously recommended to the Council for formal approval and adoption. **(Action 3)**

The information was received and noted;

Actions had been noted. (Register at 09/20).

04/20 INTERNAL AUDIT SERVICE (IAS)

- a. Record. Haines Watts Controls and Assurance (HWCA) had completed a remote internal audit review on behalf of Peterborough Regional College (PRC) prior to the merger with New College Stamford (NCS) which was effective on 1 August 2020; the report had been received by the Inspire Educational Group (IEG) AC on 3 December (minute 03/20a). The review had scrutinised UCP compliance with the Office for Students (OfS) conditions of registration since at that time PRC/UCP were subject to enhanced monitoring by PWC (on behalf of the OfS) over complex governance arrangements; the complexity had now been resolved.
- b. Fieldwork Report. The scope, approach, risk and objectives of the fieldwork assignment were outlined at the start of the Report and informed members' considerations: Control Design and Application had both been graded as "good" with Green "substantial"

assurance that “the controls upon which the organisation relies to manage risk material to the achievement of the organisation’s objectives are suitably designed and effective” was welcomed. There had been; two “desirable” recommendations (associated with Governance Administration), which had been accepted and confirmed for implementation at the latest by June 2021. **(Action 4)** Members took comfort from this positive report. and thanks were recorded to the Academic Director and the team at UCP and IEG for achieving such a clean bill of audit health at a time of considerable flux in the organisation.

- c. Considerations of this item included the position of HW in relation to internal audit responsibility for UCP and that would be considered at Item 7.

**The information was received and noted;
Actions had been noted. (Register at 09/20).**

05/20 RISK MANAGEMENT (RM)

- a. Policy. The IEG RM Policy, had been included in the papers for this inaugural meeting to inform Members’ consideration of the Risk Register (RR) and that was welcomed.
- b. Register. The RR had been considered by the Council at their meeting held on 26 November (minute 22/20) now been completely transferred to the “4Risk” template and system, the register items were clearly listed in the accompanying papers and each was individually considered. The register had been updated to include the latest Covid information and was discussed:
 - (i) Primary Risk. (number 26) “Failure to meet HE student numbers and income targets” The combination of Covid, unhelpful media and the impact of the proposed Peterborough University influenced this risk;
 - (ii) Primary Risk (number 262) “Covid-19” Guidance was being scrupulously followed but, as this was frequently modified, a reactive response was often necessary. There was full working integration with IEG resources ; and
 - (iii) Contingency Risks. Contingency Risks were monitored each term; the associated scoring and activity was fully explained in the RM Policy; the 2 highest risks related to sub-contract provision (number 261) mainly in Quality Advisory Agency (QAA) compliance and financial health (number 265). A new risk had been added (number 267) re UCP reliance on IEG systems.

During general discussions it was suggested that the wording for “Risk Titles” could be more specific, for example in risk numbers 261 and 262; also in relation to 261, the appropriateness of the risk owner was discussed and confirmed.

The information was received and noted

06/20 AUDIT ARRANGEMENTS

- a. Appointment. It was necessary for UCP operations to be internally and externally audited annually, to give assurance to both the Council and the Regulators; since business support services were provided from IEG resources it was suggested as sensible for the 2 organisations to share contracts with IEG. The main benefit would be familiarity of auditors with working practices in both organisations, but would need to address specific and differing Higher Education (HE) regime requirements, for example, the HE Audit Code of Practice (ACOP) required specific assurance on “Value for Money” (VFM) issues. This was a sound proposition if the audit firms showed Further Education (FE)/HE skill sets and expertise. Both appointed IEG audit firms: HWCA as Internal Audit Service (IAS) and RSM as External Auditors were experienced and current providers to both FE and HE clients and accordingly it was unanimously agreed to recommend their appointment to the Council. **(Action 5)** The arrangements at Action 4 was assumed to allow forward planning. The present IEG Auditor arrangements were discussed.
- b. Internal Audit Service (IAS). The current IEG IAS audit plan for 2020/21 included a UCP allocation of 5 days; however, there was scope in IEG Audits for some joint scrutiny where

services applied to both agencies and the 5 days should not be taken as an absolute but if that allocation should be increased that would be considered on merit. **(Action 6)** This aspect, joint scrutiny of certain areas when taken with the specific UCP allocation should provide sufficient detail for the IAS to determine an audit opinion. The risk environment had been considered earlier and that informed consideration of appropriate areas of IAS attention. Seven suggested areas had been listed in the accompanying paper and they were considered sound, appropriate and should form the basic 3-year plan. **(Action 7)** The most urgent, for consideration in the current year, were then considered and the most pressing were felt to be:

- (i) governance and RM; and
- (ii) sub-contracting.

Data/MIS issues would be deferred to the second year when the new Group system would be operational, in the interim compliance would be assessed through returns and oversight. The HWCA representative would discuss these suggestions directly with those concerned and produce a suggested plan for circulation and consideration by members early in the new year. **(Action 8)**

**The information was received and noted;
Actions had been noted. (Register at 09/20).**

07/20 URGENT BUSINESS

There had been no urgent business requested.

08/20 NEXT MEETING

The meetings schedule was currently under revision and the next meeting would be advised.

09/20 ACTION TABLE

See referenced minute for full detail.		Resp	Date
Action 1	01/20. Alison Davies confirmed as AC Chair.	Sec	wie
Action 2	02/20c. Meeting procedure agreed.	Chair	
Action 3	03/20. TOR recommended to the Council for adoption.		
Action 4	04/20b. IAS recommendations to be implemented by June 21.	Sec/LK	01.06.21
Action 5	06/20a. HWCA & RSM appointments recommended.	CFO	wie
Action 6	06/20b. IAS days allocation to be considered.	CFO/LK	
Action 7	06/20b. Listed areas to form 3-year plan.	CFO/HW	
Action 8	06/20b. 2020/21 IAS pan to be proposed and circulated.		

Erin Deverson (Secretary) for Alison Davies (Chair)






Minutes15.12.20RDLPLKAD

Final Audit Report

2021-03-15

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