

Minutes of the meeting of the of the Inspire Education Group (IEG) Audit Committee (AC) held at 1630 hrs on 20 June 2022.

Present	Martin Ballard (Chair)	Mark Haydon	Tony Keeling	Qun Yang
In Attendance	Ralph Devereux (IDG)	Lee Glover (Haines Watts)	Louise Perry (CFO)	Claire Sutherland (RSM)

22/21 ELIGIBILITY, QUORUM, DECLARATION INTERESTS AND MEMBERS

No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate and there had been no unregistered interests declared.

23/21 STANDING ITEMS

- There were no requests for urgent business.
- Minutes of the last meetings: the Minutes from (02.12.21) were confirmed for signature; the notes of the inquorate meeting (05.04.22) were noted . **(Action 1)**
- Actions from the 02.12.21 meeting:

See referenced minute for full action.		Resp
Action 1	10/21. IEG financial guarantee to UCP tbd at IEG Board	Complete
Action 2	10/21. UCP AC to advise Council re documents' signature.	
Action 3	11/21. Last Minutes (21.06.21) confirmed for signature.	
Action 4	12/21. AFS documents recommended to Corporation for signature.	
Action 5	13/21. AFS recommended to Subsidiary Boards for signature.	
Action 6	14/21a. "Tracker" detail to include PRC detail.	
Action 7	14/21b. IAS Annual Report recommended to the Corporation.	
Action 8	14/21c. Draft IAS Assignment Briefs 2021/22 approved.	
Action 9	15/21. ACAR recommended to the Corporation,	
Action 10	16/21. RM Training included in awayday	

**The information was received and noted;
 Actions had been noted. (Register at 33/21).**

24/21 INTERNAL AUDIT SERVICE (IAS)

- Progress Report. The IAS Plan 2020/21 had been approved on 30 September 2021; total days allocated was 61.5. The IAS had requested three amendments to the plan which were explained, individually discussed and agreed. **(Action 2)** The Commercial Activities and Environment Audit Briefs were yet to be approved. Progress with the Annual Plan had been tabulated in Section 2 and completion was behind schedule but all would be completed on time.
- Block One. (Corporate Governance). The Audit brief for the assignment was fully detailed in Appendix A. The overall grading and the Control Design and Application of Controls had been given "**Substantial**" assurance that "the Corporation is able to take the stated level of assurance that the controls upon which the organisation relies to manage risk material to the achievement of its objectives are suitably designed and applied." The Grading Methodology was fully detailed in Appendix B. The Executive Summary was discussed and welcomed. Four "green" area for improvement had been identified; all had been accepted with actions, responsibilities and timings allocated. The broadening of Stakeholder Engagement comments was welcomed.
- Block One. (Quality Management). The Audit brief for the assignment was fully detailed in Appendix A. The overall assessment was "**Substantial**" and both Control Design and Application of Controls as had been given "**Good**" assurance that "the Corporation is able

to take the stated level of assurance that the controls upon which the organisation relies to manage risk material to the achievement of its objectives are suitably designed and applied.” The Grading Methodology was fully detailed in Appendix B. The Executive Summary was discussed and welcomed. This was a positive outcome and was welcomed.

- d. Additional Assignment Report on the Annual Certificate of Expenditure on Centres for Excellence in Maths (CfEM). The attached report was noted and received.
- e. Block One. (Counter Fraud Health Check). The Audit brief for the assignment was fully detailed in Appendix A. Both Control Design and Application of Controls as had been given “**Adequate**” assurance that “in our opinion the Corporation can take the stated level of assurance able to take the stated level of assurance above that its’ counter fraud culture is suitable designed and applied.” The Grading Methodology was fully detailed in Appendix B. The Executive Summary was discussed and welcomed. Two points of good practice had been identified and three “amber” area for improvement had been identified; all had been accepted with actions, responsibilities and timings allocated. During discussions it was confirmed that responsibility for the Policy rested with the Executive and, for induction, with the Human Resources (HR) department. It was also agreed that extra promotion of the “speak up” considerations in the Whistleblowing Policy and referencing in associated documents, such as Safeguarding should be strongly considered.
- f. Assignment Briefs. Two assignment briefs, Environmental Reporting 2021/22 and Commercial Activities/Income Diversification, were discussed and approved. **(Action 3)**

**The information was received and noted;
Actions had been noted. (Register at 33/21).**

25/21 EXTERNAL AUDIT PLAN

The External Audit approach for the audit of the annual financial statements (AFS) together with:

- a. the Regularity and Teachers’ Pension Agency (TPA);
- b. Quality Resourcing Solutions (QRS);and
- c. the University Centre Peterborough (UCP).

was presented by the external auditors, RSM. A bespoke plan for communication and completion had been determined with a clear and manageable mutually agreed timetable, which was noted. The principal areas of audit significance were detailed, including assurance on income and “going concern” and all were explained and considered individually, particular attention would be given to the “UCP Building” matters. The audit detail would be fully compliant with all necessary requirements for consideration and approval by the Corporation. Emerging Issues, a digest of Government and sector initiatives had been separately provided and was welcomed. The AFS will be presented to the Committee in December and any adjustments to the audited accounts would then be fully explained before presentation of the document including all Audit comments to the Corporation; if necessary, the external auditor could attend that meeting. The plan, the standard engagement letter and the associated total estimated maximum fee, (£61.2k ex VAT) was recommended to the Corporation. **(Action 4)**

**The information was received and noted;
Actions had been noted. (Register at 33/21).**

26/21 RISK MANAGEMENT (RM)

The RM environment was discussed and considered informed by 3 specialist appendices.

- a. Board Assurance Framework (BAF). The BAF provided more detail of controls for key risks and included the necessary action plan to reduce risks with high scores back into the target range. Appendix 1 shows movements in residual risk scores. All changes during the period to controls and action plans highlighted in blue font, were detailed in Appendix 2. A new risk is included in the BAF, that being staff recruitment and retention. The challenges were discussed at length, and it was explained that a pay and rewards planning day was to be on the following day, and the outcome may prompt re-examination

of the draft Financial Plan, the first draft had been reviewed by the Finance and Resources Committee (FRC) the prior week.

- b. Contingency Register. All risks on the Register were clearly listed in the accompanying papers, each was individually considered and discussed. The “Positive Work Ethic” and “Internal Communication” had been increased, influenced by comments in the recently completed Staff Survey. Other influencing issues, including Covid and economic pressures were considered; Members were assured of the effectiveness of the robust mitigations. It was agreed to retain the Brexit associated risks, and to add a specific supply chain risk; this would be inserted in the appropriate category.

The information was received and noted.

27/21 PROCUREMENT

The work completed in the first 10 months of 2021/22 had been listed with outcomes measured against categories explained at the start of the document. During discussion it was explained that the top 20 suppliers did not necessarily represent the greatest risks, which tends to be around methods such as credit card spend. The top 20 suppliers were generally well managed through strictly scrutinised contracts. Key Tenders and Frameworks were increasingly utilising “Single Supplier Justifications” particularly for estate improvements, where only a limited number of contractors were available to quote. Capital Procurement was considered, particularly the need to progress each to RIBA Stage 5 for the Centre for Green technology, (shovel ready) to allow participation in short notice/restricted time grant offers.

The information was received and noted.

28/21 FRAUD

The Report had been drafted in response to recommendations in the Counter Fraud Health Check completed earlier in the year. Members were asked to comment on the format and note the content. The Report was welcomed and in discussion it was explained that it not possible to compare outcomes with previous years because of the disrupted nature of recent events; this year’s detail would now be adopted as the base line. It was also agreed to include students to the IT Asset Fraud risk. **(Action 5)**

The information was received and noted.

Actions had been noted. (Register at 33/21).

29/21 EDUCATION & SKILLS FUNDING AGENCY (ESFA) GUIDANCE

The ESFA had recently published information for Audit Committees (AC) to provide guidance on implementation of AC arrangements to comply with the post-16 audit code of practice (P16ACOP) and to enable better discharge of responsibilities relating to the effective stewardship and oversight of their organisation. IEG complied with the guidance excepting in cyber security, it has been local practice for such matters to go the FRC, in future they will be reported to the AC. **(Action 6)**

The information was received and noted.

Actions had been noted. (Register at 33/21).

30/21 GIFTS & HOSPITALITY

The Group gifts and hospitality register was attached. Some gifts had been donated to charity and others retained by the recipient. It was noted that the 17.12.21 entry related to “Hotel Chocolat” did not include the gift value and that would be added for completeness. **(Action 7)**

The information was received and noted.

Actions had been noted. (Register at 33/21).

Audit Firms representatives left the meeting.

31/21 URGENT BUSINESS

There had been no urgent business agreed.

32/21 NEXT MEETING

Details of the next meeting would be notified.

33/21 ACTION REGISTER

See referenced minute for full action.		Resp	Date
Action 1	23/21. Last Minutes (02.12.21) confirmed for signature	IGD	
Action 2	24/21a. Amendments to IAS Plan approved.	CFO	wie
Action 3	24/21f. Assignment Briefs agreed.	Chair	04.07.22
Action 4	25/21. External Audit Plan recommended to the Corporation.		
Action 5	28/21. Students to be included in IT Asset fraud.		
Action 6	29/21. Cyber related issues to both FRC and AC.	CFO	wie
Action 7	30/21. Gift value (Hotel Chocolat) to be added.		