

PART A Minutes of the Audit Committee meeting held on 9 March 2020 @ 4pm via MS Teams

Present Walter Leschenko, Mike Stopper, John White and Keith Pearson

In Attendance Susan Bailey Clerk to the Corporation, Ricki Coxon Group Director MIS
Tony Lawlor Group Director Finance, Andrew McCulloch TIAA (from 4pm) ,
Steph Rushton Head of Finance ERC

The Chair welcomed Chelsea Senior, prospective co-opted member of the Audit Committee to the meeting.

Prior to the meeting at 3.45pm the Audit Committee members met to consider the appointment of the TEC Partnership's Internal and External Audit providers from 2021 onwards. Mazars and TIAA were not present at this part of the meeting.

Following a presentation by the Group Director Finance and further discussion members agreed to the following recommendation for Corporation approval. In reaching the decision members agreed that fees were appropriate but questioned whether a one year extension of the contracts for both Internal and External Auditors was sufficient. GD Finance confirmed that it was appropriate to reappoint for a further year in view of post-merger action required and current operating circumstances but that it would be fair and proper to go out to full tender during 2022.

RECOMMENDED FOR CORPORATION APPROVAL

- a. that Mazars be re-appointed as the Group's External Audit Service providers for a further year from 1 August 2021 to 31 July 2022
- b. that TIAA be appointed as the Group's Internal Audit Service providers for a further year from 1 August 2021 to 31 July 2022

Governor Training: Pensions presentation

GD Finance provided a Pensions presentation outlining the characteristics and associated issues and risks relating to the TEC Partnerships Pension Schemes. Members agreed that the presentation had been very comprehensive and informative:

<https://gig.sharepoint.com/:p:/r/sites/Governors/Staff%20Documents/Meeting%20Papers%20-%20Working%20Folder/Audit%20Committee/2020-21/03.%2009-03-2021/Pension%20Briefing%2009-03-2021.pptx?d=wbea99ff258bf466485b73095b2b26769&csf=1&web=1&e=G8ArtT>



Pension Briefing
09-03-2021.pptx

1 Apologies

1.1 Apologies were received from David Hoose, Mazars

2 Declarations of Interest

2.1 There were no declarations of interest.

3 Minutes of the Audit Committee Meeting held on 26 January 2021 and any matters arising

3.1 The Clerk reported that following the recent recommendation by the External Audit Service in relation to Audit Committee membership Keith Pearson had been appointed by the Corporation as a full member of the Corporation.

3.3 RESOLVED The minutes of the Audit Committee meeting held on 26 January 2021 were accepted as a true and accurate record to be duly signed by the Chair electronically.

4. Plans to address issues raised in the External Audit Management letters for ERC and GIFHE

4.1 The Head of Finance ERC submitted a report detailing the recommendations made by RSM in respect of East Riding College and Mazars in respect of TEC Partnership and managements response and plans to address these. Recommendations related to the following areas:

- a) Payroll
- b) Balance for the Call Account
- c) Starters and Leavers contracts
- d) Fixed Asset register
- e) VAT payable to HMRC
- f) Follow up on previous internal controls

4.2 In respect of the Payroll recommendations members were informed that Management had agreed that all payroll functions would be moved across to the TEC Partnerships payroll team and as part of the transition would be reviewed and adapted to fall in line with TECPs procedures.

4.3 **RESOLVED** The plans to address the issues raised in the External Audit Management letters were noted.

5. Santander Loan Covenants Compliance Certificate : confidential minute

6. Risk Register update 2020/21

6.1 GD Finance submitted the TEC Partnership Risk Register 2020-21 updated to include the most critical risks from the existing Strategic, GIFHE, Scarborough-TEC, Modal and Merger Risk Registers.

6.2 RESOLVED the Risk Management progress report and risk register update 2020- 21 was noted.

7. Board Assurance Framework 2020/21 – draft proposal

- 7.1 The CEO submitted the first draft of Board Assurance Framework developed to ensure that appropriate arrangements were established to provide assurance that there were controls in place to mitigate the TEC Partnerships exposure to risk and ensure Strategic Objectives could be achieved.
- 7.2 The approach taken in devising the Board Assurance Framework had been to keep it simple and focus on the key areas of risk, tailored to the TEC Partnerships operations. The intention was to focus on up to 10 key aspects of business which require Board Assurance to be reviewed alongside the risk register at set times of the year.
- 7.3 Members agreed that the first draft Board Assurance Framework was excellent and should be progressed for final submission to the next meeting of the Audit Committee with thanks to the CEO for development of a very comprehensive document. The CEO thanked the Clerk, the PA EMT and members of EMT for their contribution to development of the Board Assurance document also.
- 7.4 **RESOLVED** The draft Board Assurance Framework document was approved for further development to a final document (see appendix 1 – page 5)

8. Value for Money (VFM) Policy

- 8.1 GD Finance submitted the draft Value for Money Policy at the request of the Audit Committee at the last meeting stating that the VFM Policy was an integral part of the Board Assurance Framework and a timely addition to the TEC Partnership's Policy portfolio in view of the upcoming Internal Audit Service review of Capital Spend. Members noted that the VFM policy related to the procurement of supplies and services only at this time. It was agreed that the VFM policy be developed to incorporate aspects of VFM in relation to delivery of education and other areas of good practice also but as a first attempt a good start had been achieved in the production of a VFM Policy.
- 8.2 **RESOLVED** The draft Value for Money Policy was approved.

9. Corporation and Local Board meeting minutes sampling

9. The Clerk submitted a report outlining the background to the requirement for members of the Audit Committee to sample the minutes of Local Boards and Committees on a regular basis in order to gain familiarity with their business and activities and gain assurance as evidenced in the minutes that governors provide effective support, challenge and oversight of all elements of the TEC Partnerships provision and where there are any areas of concern or for commendation these are addressed accordingly.
- 9.1 It was agreed that members review the minutes over the next term and report back any comments feedback to the next meeting of the Audit Committee on 22 June 2021.
- 9.2 TIAA confirmed that the review of minutes during the June 2020 Internal Audit Service review of Governance and Risk Management had showed that minutes of meetings were well written and comprehensive.
- 9.3 The Clerk reported that work was currently underway to establish a Board Portal from September 2021 so that all governors (subject to authorised access) would be able to view/sample minutes and reports as and when required.

9.4 RESOLVED The report on Corporation and Local Board meeting minutes sampling was received and noted

10. Funds fraudulently obtained report

10.1 GD Finance confirmed that there had been no instances of Funds fraudulently received since the last meeting.

11. Any other business

None received.

12. Date and time of next meetings

Monday 22 March 2021 @ 4pm
Tuesday 22nd June 2021 @ 4pm

Corporation Strategic Planning part 2
Audit Committee meeting

Chair of the Audit Committee

Signed _____

Date _____

Chair of the Audit Committee