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| <u>NORTHERN SCHOOL OF CONTEMPORARY DANCE</u> | | |
| <u>AUDIT COMMITTEE</u> | | |
| Minutes of the meeting of the Audit Committee held at 4pm on 30 March 2021 via Zoom. | | |
| Present: | Vinny Leach (Chair) and Kate Buckham | |
| In attendance: | Director of Finance and Resources and Clerk to the Governors, Philip Drysdale (KCG) | |
| Apologies: | Tina Gill | Action |
| <u>DECLARATIONS OF INTEREST</u> | | |
| A20/22 | There were no declarations of interest. | |
| <u>MINUTES OF THE LAST MEETING</u> | | |
| A20/23 | The minutes of the meeting held on 13 October 2020 were reviewed and approved as an accurate record. | |
| <u>MATTERS ARISING ON THE MINUTES</u> | | |
| A20/24 | <i>A20/21 – internal audit</i> It was confirmed that an email had been circulated to members who had agreed that a review on capital projects should be carried out in relation to the school-based audit, and that work had taken place. | |
| <u>INTERNAL AUDIT PLAN</u> | | |
| A20/25 | The internal audit plan for 2020-21 had been circulated and its contents were noted. | |
| A20/26 | RESOLVED: That the Internal Audit Plan for 2020-21 be noted. | |
| <u>INTERNAL AUDIT PROGRESS REPORTS</u> | | |
| A20/27 | <p>The Committee had received a copy of the internal audit report from KCG and Philip Drysdale highlighted the key points. It was noted that recommendations had been made as follows:</p> <ul style="list-style-type: none"> - One priority 3 recommendation around the Annual Accountability Return - Two priority 2 recommendations relating to IT remote working and security <p>The Committee noted that all recommendations had been accepted by the management. A question was asked about whether there was a lot of work involved in the IT recommendations and the Director of Finance and Resources reported that they were happy with the recommendations and that they were manageable. Work was taking place on staffing structures to help address the single point of failure.</p> <p>It was noted that there was one further review to take place on Covid lessons learnt and that would be submitted to either the next meeting or the meeting in the autumn.</p> <p>The Committee discussed the overall assurance level and Philip Drysdale confirmed that only the IT audit was satisfactory, with the remainder of audit work having substantial assurance. The Committee queried whether the opinions could be split and Philip Drysdale confirmed that he would reissue the final report to reflect substantial assurance in all areas except IT, which was satisfactory. The amended version would then be issued to CDD and the School.</p> | |
| A20/28 | RESOLVED: That KCG reissue the audit report clarifying that substantial assurance had been given in all areas except IT, which was satisfactory. | KCG |

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| | <u>FUTURE INTERNAL AUDIT PROVISION</u> | |
| A20/29 | The Director of Finance and Resources reported that she had started discussions regarding internal audit provision following the School's departure from CDD, and KCG had indicated that they would be willing to discuss a continuing relationship. It was agreed that the requirements around tendering and appointing internal auditors should be clarified and a paper presented to the next meeting. | |
| A20/30 | RESOLVED: That the Director of Finance and Resources present a paper to the next meeting outlining the requirements around tendering and appointing internal auditors. | Director of Finance & Resources |
| | <u>EXTERNAL AUDIT SERVICES TENDER PROCESS</u> | |
| A20/31 | The Committee received and considered a paper from the Director of Finance and Resources and Clerk regarding the external audit services tender process and noted that the bigger audit firms were not interested in tendering for the work. A Governor queried whether the tender document indicated a fee limit, and it was confirmed that it did not. It was suggested that this might be addressed in the forthcoming internal audit service tender to highlight that best value was not necessarily the lowest cost. After discussion, it was agreed that interviews should be carried out with both firms who had tendered, to be held on 23 April, and that the Clerk should liaise with them. | |
| A20/32 | RESOLVED: That interviews should be carried out on 23 April with both firms who had tendered for the external audit services and that the Clerk should liaise with them. | Clerk to Governors |
| | <u>RISK REGISTER</u> | |
| A20/33 | The Committee considered the full risk register and noted that all risks remained unchanged since the last meeting. It was noted that since the last Academic Board meeting there had been an increase to the academic risks and there were concerns around admissions, although the full picture may not be known until nearer September 2021. A question was asked about how far behind admissions were and the Director of Finance and Resources reported that an update would be presented to the Board but that the admissions period had been extended and auditions were being conducted face to face over the Easter period. A question was asked about the position in relation to the exempt charity status and the Director of Finance and Resources reported that she had spoken with the Privy Council and would be writing to them in April to confirm that the School was in the process of registering with the OfS. A Governor challenged whether any recommendations from the internal auditors translated into risks and the Director of Finance and Resources reported that the entire risk register required review and that would be done before the autumn. | |
| A20/34 | RESOLVED: That the risk register be noted. | |
| | <u>THE AUDIT COMMITTEES CODE OF PRACTICE</u> | |
| A20/35 | The Committee received a self-assessment against the Audit Committees Code of Practice (May 2020) prepared by the Clerk and noted that it might be worth approaching KCG regarding induction training for committee members. It was agreed that the areas RAG-rated amber or red would be reviewed at each meeting, and once all areas were RAG-rated green, there would be an annual review of compliance across all areas. | Clerk to Governors |

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| A20/36 | RESOLVED: That the Committee noted the self-assessment against the CUC's HE Audit Committees Code of Practice and that areas RAG-rated amber or red would be reviewed at each meeting, with an annual review of compliance across all areas. | |
| | <u>TERMS OF REFERENCE</u> | |
| A20/37 | Updated terms of reference had been circulated which it was agreed were much clearer and ensured compliance with the Audit Committees Code of Practice. It was noted that a list of policies under the Committee's remit, along with their proposed review cycle was being prepared by the Clerk and would be presented to the next meeting. | |
| A20/38 | RESOLVED: That the updated Terms of Reference be recommended to the Board for approval, and that the list of policies under the Committee's remit and their proposed review cycle would be presented to the next meeting. | Clerk to Governors |
| | <u>DATE OF THE NEXT MEETING</u> | |
| A20/39 | 15 June 2021 at 6pm | |
| | The meeting closed at 5.45pm | |

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| Signed | |
| Date | |