

Minutes of the meeting of the Audit Committee held on Tuesday 11 October 2022 at
4pm

Present: Marie Lang (Chair & Governor)
Carol Cooper-Smith (Governor)
David Shepherd (Governor)
Emma Dawson (Co-opted member)

In attendance: Heather Jackson (Clerk)
David Akeroyd (Deputy Principal Development & Productivity)
Gavin Batty (Vice Principal)
Tony Johnson (Vice Principal Corporate Services)
Laila Lawton (Vice Principal Finance)
Liz Leek (Deputy Principal Culture, Place & Communities)
Suki Rai (Vice Principal Funding, Performance & Technology)
Anastasia Mullen (RSM)
Abigail Smethurst (Grant Thornton) (via Teams)
Sandra Prail (External Governance Review)

PART I – For Publication

Minute	
PROCEDURAL MATTERS	
A22/048	Agenda Item No. 1: Quorum The meeting was quorate.
A22/049	Agenda Item No. 2: Apologies for Absence Apologies were received from Deborah Watson, George Graham and Ken Merry. The Chair welcomed Sandra Prail to the meeting who was observing as part of the external review of governance and Anastasia Mullen who was re-joining the committee after maternity leave.

A22/050	<p>Agenda Item No. 3: Declarations of interest</p> <p>There were no declarations of interest.</p>
A22/051	<p>Agenda Item No. 4: Minutes of the meeting held on 14 June 2022</p> <p>The minutes of the meeting held on 14 June 2022 were approved.</p> <p>It was noted that Tracey Johnson had resigned from the committee. The committee thanked her for her input over the last 18 months.</p> <p>Governors discussed the clawback position and it was agreed that a paper on the funding position and risk would be provided for the next meeting.</p>
A22/052	<p>Agenda Item No. 5: Matters arising</p> <p>There were no matters arising.</p>
A22/053	<p>Agenda Item No. 6: Rolling Action List</p> <p>The Clerk noted that governors would be invited to attend new governor induction sessions on the 31st of October or 22nd of November.</p>
A22/054	<p>Agenda Item No. 7: Notification of items of any other business</p> <p>There were no other items of business</p>
A22/055	<p>Agenda Item No. 8.1: Progress Report</p> <p>Anastasia Mullen presented the Progress Report. It was noted that since the last meeting five reports had been finalised. The project management audit was still awaiting management comments. Once this was complete it would be presented to the next committee in November along with the Annual Audit Report. It was also noted that fieldwork and dates had been agreed for audits in the coming year.</p> <p>It was RESOLVED to note the Progress Report.</p>
A22/054	<p>Agenda Item No. 8.2: Cyber Security</p> <p>Anastasia Mullen presented the Cyber Security Report. One medium and one low risk had been identified.</p>

	<p>Overall, Governors noted that the report provided substantial assurance.</p> <p>Governors noted that it was unusual for a College to receive a substantial assurance and discussed the risks in the sector more widely. The Deputy Principal Development and Productivity noted the time and resource invested by the college to protect it from the risk of ransomware. It was also noted that Cyber Security refresher training was now mandatory for all staff.</p> <p>It was RESOLVED to note the Cyber Security Report.</p>
A22/055	<p>Agenda Item No 8.3: Higher Education Framework</p> <p>Anastasia Mullen presented the Higher Education Framework Report. One medium priority action was identified but overall governors could take substantial assurance from the report.</p> <p>Governors discussed the risks to the college of clawback and it was noted the audit had focused on the new Office for Students (OfS) requirements which are of a higher standard.</p> <p>It was RESOLVED to note the Higher Education Framework Report.</p>
A22/056	<p>Agenda Item 8.4: Apprenticeships – Funding Rule Compliance</p> <p>Anastasia Mullen presented the Apprenticeships – funding rule compliance report. The report had identified seven management actions and the committee were briefed on the findings.</p> <p>The committee discussed the results and issues identified. The Vice Principal Funding, Performance and Technology assured the committee that significant progress had been made since the last audit but there remained pockets where issues persisted. In particular moving to a new system (Aptem) and moving ITS to College processes and procedures would improve performance.</p> <p>The Vice Principal Corporate Services noted funding clawbacks were also considered via the BAF. The committee noted that the College’s aspiration was for the area to achieve outstanding.</p> <p>The Clerk noted that briefing sessions on Aptem and Apprenticeship would be offered to governors shortly.</p> <p>It was agreed that another audit would be commissioned this academic year replacing the planned AEB audit. The committee agreed that a rating for the audit would be useful.</p>

	<p>It was agreed that the Clerk would share the audit with the governors undertaking the Apprenticeship Deep Dive.</p> <p>It was RESOLVED to note the Apprenticeship Funding Rule Compliance Report</p>
A22/057	<p>Agenda Item 8.5: Budget Monitoring</p> <p>Anastasia Mullen presented the Budget Monitoring Report. The report identified one low priority action. Governors discussed the report and noted that it was encouraging to see that managers were comfortable to highlight areas where they needed more support.</p> <p>Overall governors could take substantial assurance from the report.</p> <p>It was RESOLVED to note the Budget Monitoring Report.</p>
A22/058	<p>Agenda Item 8.6: Follow Up Report</p> <p>Anastasia Mullen presented the Follow Up report. It was noted that good progress had been made in following up the actions. Of the nine management actions covered within the review, six were implemented, two were partly though not yet fully implemented, and one was superseded following the decision of the Audit Committee to end work towards the implementation of the action.</p> <p>Governors discussed the report and in particular the risks identified around journals which had not been resolved. It was agreed that the Vice Principal Finance would work with RSM to look at other controls and processes to reduce the risk.</p> <p>Overall Governors noted that strong progress was being made and although there were still some uncompleted findings there were no significant design or operational weaknesses.</p> <p>The committee thanked both the executive team and RSM for their work in the last year in achieving this result.</p> <p>It was RESOLVED to note the Follow Up Report.</p>
A22/059	<p>Agenda Item No. 9: External Audit Update</p> <p>Abigail Smethurst presented the external audit update.</p> <p>The committee noted that the team were currently on site and were scheduled to completed their work by the end of October and present their</p>

	<p>results at the next audit committee, although it was noted that the going concern element may take slightly longer.</p> <p>It was RESOLVED to note External Audit Update.</p>
A22/060	<p>Agenda Item No 10: Board Assurance Framework</p> <p>The Vice Principal Corporate Services presented the Board Assurance Framework and noted the following key points:</p> <ul style="list-style-type: none"> • The leadership and management risk had reduced as the management team had remained stable. This would be reviewed at the end of the calendar year to see if it remained a top level risk. • Covid remained a risk because of the time of the year and the large number of new students. The college continued to take a cautious approach and was reinforcing measures with staff and students. The risk will continue to be reviewed and may take a different focus around legacy issues in the future. • English and Maths – more focus was being placed on this risk which had increased • A new risk on staff recruitment had been added in some critical areas. • High needs funding and the classroom element of AEB was being removed as there had been little manifestation of the risk in the last two to three years. <p>The committee discussed the risk rating for IoT and it was noted that it had been increased in the new year. It was noted that this report was a year-end report and did mean that it could be out of sync with day to day operations. It was agreed that timing would be reviewed by the new Clerk when they reviewed the cycle of business.</p> <p>The committee discussed the ONS reclassification and why it wasn't considered as a risk on the BAF. The Vice Principal Corporate Services explained the process for items to appear on the BAF. The committee noted that the College felt reclassification would not present any significant risks.</p> <p>The committee noted that the BAF was a dynamic document and discussed the impact the costs of living would have on staff and students. The Deputy Principal Development and Productivity noted that recruitment was on target but that the College continued to support students to enable them to continue studying or find jobs that allow them to continue studying. The Deputy Principal Culture, Place and Communities noted that systems were in place to support students including raising the limit on the learner support fund, free breakfasts, period poverty work and many other seasonal activities.</p> <p>It was RESOLVED to note the Board Assurance Framework</p>
A22/061	<p>Agenda Item No 11: New Risk</p>

	No new risks were identified.
A22/062	<p>Agenda Item No 12: Self Assessment Questionnaire</p> <p>The Vice Principal Finance presented the Self Assessment Questionnaire which is used by Grant Thornton in their audit. It was noted that a new question had been added this year on external audit.</p> <p>It was RESOLVED to approve the Self Assessment Questionnaire.</p>
A22/063	<p>Agenda Item No 13: Additional Services provided by the internal and external auditors for the previous year.</p> <p>It was RESOLVED to note the additional services provided by the internal and external auditors for the previous year report.</p>
A22/064	<p>Agenda Item No. 14: Register of Interests.</p> <p>The Vice Principal Finance presented the annual report on businesses transacted with organisations in the register of interests.</p> <p>The committee asked that an additional column be added to the document next year that included which governor has associated with which interest.</p> <p>It was RESOLVED to note the annual report on businesses transacted with organisations in the register of interests.</p>
A22/065	<p>Agenda Item No. 15: Annual Fraud Report.</p> <p>The Vice Principal Finance presented the annual fraud report.</p> <p>The committee discussed the processes and it was noted that the Chair of the Audit Committee had not been notified of the risk when it occurred and that the report should reflect this.</p> <p>It was RESOLVED to note the Annual Fraud Report and amend it accordingly.</p>
A22/066	<p>Agenda Item No. 16: Risk Management Annual Report</p> <p>It was RESOLVED to approve the Annual Risk Management Report.</p>

A22/067	<p>Agenda Item No. 17: Annual GDPR and Data Protection Report</p> <p>The Vice Principal Funding, Performance and Technology presented the annual GDPR and Data Protection Report.</p> <p>The committee noted that it would be useful to combine the report with any relevant audits in the future and it was agreed that this would be considered in future scoping,</p> <p>It was RESOLVED to note the annual GDPR and Data Protection Report.</p>
A22/068	<p>Agenda Item No. 18: Annual Health and Safety Report</p> <p>It was RESOLVED to note Annual Health and Safety Report.</p>
A22/069	<p>Agenda Item No. 19: Audit Engagement Letters</p> <p>The Vice Principal Finance presented the Audit Engagement Letters and noted that they included a £1m liability limit.</p> <p>It was RESOLVED to note the Audit Engagement Letters and recommend their approval to the Board.</p>
A22/070	<p>Agenda Item No. 20: Subcontracting Certificate</p> <p>It was RESOLVED to note the Subcontracting Controls report.</p>
A22/071	<p>Agenda Item No. 21: Clerks Monitoring of Audit Recommendations</p> <p>The Clerk presented the Monitoring of Audit Recommendations report.</p> <p>It was noted that there was one outstanding recommendation in the external audit and all other recommendations had been implemented.</p>
A22/072	<p>Agenda Item No. 23: Any other business</p> <p>It was noted that this was the last meeting for David Shepherd whose terms of office was coming to an end. The committee thanked him for all of his contributions over the last 8 years.</p>
A22/073	<p>Agenda Item No. 22: Date and time of next meeting</p> <p>Monday 28 November 2022</p>



The meeting ended at 17:32

Signed (Chair): **Dated:**
