

**Minutes of the meeting of the Audit Committee held on Tuesday 27 June 2023 at 4pm**

<b>Present:</b>	Marie Lang (Chair & Governor) Carol Cooper-Smith (Governor)(by Teams) Emma Dawson (Co-opted member)
<b>In attendance:</b>	Heather Jackson (Clerk)(by Teams) David Akeroyd (Deputy Principal Development & Productivity) Gavin Batty (Vice Principal Technical & Professional Education) Tony Johnson (Vice Principal Corporate Services) Laila Lawton (Vice Principal Finance) Lisa Smith (RSM) Richard Buckby (Fortus)

**PART I – For Publication**

<b>Minute</b>	
<b>PROCEDURAL MATTERS</b>	
<b>A23/022</b>	<b>Agenda Item No. 1: Quorum</b>  The meeting was quorate.
<b>A23/023</b>	<b>Agenda Item No. 2: Apologies for Absence</b>  Apologies were received from George Graham, Anastasia Mullen and Rob Barnett.
<b>A23/024</b>	<b>Agenda Item No. 3: Declarations of interest</b>  There were no declarations of interest.
<b>A23/025</b>	<b>Agenda Item No. 4: Minutes of the meeting held on 7 March 2023.</b>  The minutes of the meeting held on 7 March 2023 were approved.

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A23/026	<p><b>Agenda Item No. 5: Matters arising</b></p> <p>There were no matters arising.</p>
A23/027	<p><b>Agenda Item No. 6: Rolling Action List</b></p> <p>It was <b>RESOLVED</b> to note the Rolling Action List.</p>
A23/028	<p><b>Agenda Item No. 7: Notification of items of any other business</b></p> <p>There were no other items of business</p>
A23/029	<p><b>Agenda Item No. 8: Internal Auditor Appointment</b></p> <p>The Vice Principal Finance presented a report recommending the reappointment of RSM as internal auditors for a maximum of two years subject to the cost in the audit plan.</p> <p>The committee noted that this was a departure from the standard procurement process in the financial regulations.</p> <p>The committee discussed RSM performance and agreed that it would be appropriate to reappoint them for up to two years but the preference was to undertake a tendering process in the coming year. It was recommended that any audit work would be undertaken and reported within the next academic year.</p> <p>The committee also noted the number of proposed audit days and agreed that they were content with the proposed strategy.</p> <p>It was <b>RESOLVED</b> to recommend approval of the continuing appointment of RSM as internal auditors for up to two years to the Board, subject to the cost of the audit plan for 2023/24.</p> <p>It was <b>RESOLVED</b> to approve the departure from standard procurement process for this appointment.</p>
A23/030	<p><b>Agenda Item No. 9.1: Progress Report</b></p> <p>Lisa Smith presented the Progress Report. It was noted that the learner records report was unavoidably delayed and would be presented at the next committee meeting in October.</p>

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	It was <b>RESOLVED</b> to note the Progress Report.
A23/031	<p><b>Agenda Item No. 9.2: Appraisal Process</b></p> <p>Lisa Smith presented the Appraisal Process report. The audit had identified one medium and two low priority management action.</p> <p>The Vice Principal Corporate Services discussed the findings of the report and the College's intention to move from a transactional to a developmental process. The College had noted the medium priority action but would not be monitoring form completion as the appraisal process was not about the form filling elements of the process but the conversation that takes place. A lessons learnt exercise had already begun and had led to changes in the process, which would be further reviewed and reported to board in the annual HR report in November.</p> <p>Governors discussed the report and noted some of the measures that would be used to demonstrate success including the succession planning process, staff survey results and, potentially, retention.</p> <p>It was <b>RESOLVED</b> to note the Appraisal Process Report.</p>
A23/032	<p><b>Agenda Item No. 10: Internal Audit Plan</b></p> <p>Lisa Smith presented the Internal Audit Plan.</p> <p>Governors noted the internal audit plan had been reduced to 50 days and the number of audits had been reduced accordingly. It was agreed that the audits identified were sufficient to give an internal audit opinion and addressed the main areas of risk within a college of Barnsley's size and turnover and given previous audit assurance levels.</p> <p>It was noted again that all audits need to be undertaken and reported by the end of the academic year.</p> <p>It was <b>RESOLVED</b> to approve the Internal Audit Plan and recommend its approval to the Board.</p>
A23/033	<p><b>Agenda Item No. 11: External Audit Strategy</b></p> <p>Richard Buckby presented the external audit strategy including approach, risks, materiality, timetable and fees.</p>

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	<p>It was also noted that additional work would be undertaken on corporation tax and a pension end of year return.</p> <p>Governors noted that a number of meetings had already taken place and discussed the implications of the revision to ISA 315 which implements a minimum requirement for auditors to document their understanding of the role of IT in the transactions and processes relevant for the audit.</p> <p>It was <b>RESOLVED</b> to note the external audit strategy and recommend its approval to the Board.</p>
<p><b>A23/034</b></p>	<p><b>Agenda Item No. 12: Engagement Letters</b></p> <p>The Vice Principal Finance presented the external audit engagement letters.</p> <p>It was <b>RESOLVED</b> to recommend the College and subsidiary engagement letters to the Board for approval.</p>
<p><b>A23/035</b></p>	<p><b>Agenda Item No. 13: Financial Regulations</b></p> <p>The Vice Principal Finance presented the updated financial regulations.</p> <p>The committee noted that a significant review had taken place to ensure the College meets its obligations in respect of Managing Public Money following the ONS reclassification.</p> <p>The treasury management section has been updated to introduce the ability to invest surplus funds as discussed previously by the Board.</p> <p>It was also noted that procurement has been expanded to provide clarity of procurement exceptions and introduce formal approval of exceptions.</p> <p>An additional clause to allow minor capital works up to £50k to be awarded directly to pre-tendered approved suppliers has been included for practical purposes.</p> <p>Governors noted the training plans for managers and the finance team.</p> <p>There was also a discussion on what constitutes novel, contentious and repercussive transactions. The Deputy Principal Development and Productivity noted that it was unlikely that the College would undertake anything that fell within this category.</p> <p>It was <b>RESOLVED</b> to recommend the financial regulations for approval by the Board.</p>

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A23/036	<p><b>Agenda Item No. 14: Interim Health &amp; Safety Report</b></p> <p>The Vice Principal Corporate Services presented an in-year update of health and safety activities and performance.</p> <p>The committee noted that the health and safety policy had been reviewed and approved by governors in November 2023. There had been 52 accidents, with five reportable under RIDDOR. It was noted that the number of accidents in construction were much reduced from previous years.</p> <p>The Vice Principal Corporate Services noted that the number of incidents at the farm had been rising and would be monitored closely in the coming year. A link visit was also planned in the new academic year.</p> <p>It was <b>RESOLVED</b> to note the interim Health and Safety report and the assurance that it provides.</p>
A23/037	<p><b>Agenda Item No. 16: New Risk</b></p> <p>The Vice Principal Finance updated the committee on the cost implications of the IoT project and their impact on the planned opening date of September 2024. Meetings had been held with all of the concerned parties and it was noted that proposed costs had risen significantly. The committee noted that there was currently around £1m on the balance sheet under assets and construction. The IoT working group were currently looking at various options including re-tendering.</p> <p>It was also noted that there was no intention of putting the College at risk and the proposed costs were not affordable. It was also noted that the DfE had been involved throughout and were fully aware of the issues and rising costs.</p> <p>The Vice Principal Corporate Services noted the Unison had received a mandate to strike from its members but had not yet been in contact with the College. The UCU ballot closed on Friday. It was noted that strike action may be taken in the new academic year.</p> <p>It was <b>RESOLVED</b> to note the New Risks.</p>
A23/038	<p><b>Agenda Item No. 15: Clerks Monitoring of Audit Recommendations</b></p> <p>The Clerk presented the Monitoring of Audit Recommendations report.</p>

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	<p>It was noted that all recommendations had been implemented.</p> <p>It was <b>RESOLVED</b> to note the Clerks Monitoring of Audit Recommendations report.</p>
<p><b>A23/039</b></p>	<p><b>Agenda Item No. 16: Terms of Reference</b></p> <p>The committee noted the changes to the post 16 audit code of practice and college accounts direction. All changes are already reflected in the terms of reference and changes to the accounts direction will be reflected in the committee and College annual reports.</p> <p>It was <b>RESOLVED</b> to note that no changes were recommended to the terms of reference.</p>
<p><b>A23/040</b></p>	<p><b>Agenda Item No. 19: Audit Committee Minutes 7 March 2023 Part II</b></p> <p>The minutes of 7 March 2023 were approved.</p>
<p><b>A23/041</b></p>	<p><b>Agenda Item No. 20: Any other business</b></p> <p>There was no other business.</p>
<p><b>A23/042</b></p>	<p><b>Agenda Item No. 21: Date and time of next meeting</b></p> <p><b>Tuesday 3 October 2023</b></p>

The meeting ended at 17:40