



Audit Committee

Tuesday 7 November – 4pm to 6pm

Minutes

Governors	Type	Initials	Attendance	Apologies
Aneela Ali	Acting Chair - Independent Governor	AA	X	
Darren Curry	Independent Governor	DC	X	
Carol Davenport	Independent Governor (Co-opted for this meeting)	CD	X	
Jennifer Boyle	Co-opted Governor	JB		X
Clerk				
Nicola Taylor	Director of Governance & Compliance	NT	X	
Attendees				
David Alexander	CEO / Principal	DA	X^	
Jeremy Cook	Deputy Principal: Finance & Resources	JC	X	
Chris Toon	Deputy Principal: Curriculum & Quality	CT	X^	
Vicki Casey	Director of People and OD	VC	X^	
David Keetley	Financial Controller	DK	X	
David Hoose	Mazars – External Auditor	DH	X*	
Graham Gillespie	Wylie and Bisset – Internal Auditor	GG	X*^	
Shirley Collier	External Governance Reviewer	SC	X	

*Attended via Teams / ^Attended for part of the meeting.

A/852 Appointment of Acting Chair

Electronic approval had been sought in advance to appoint AA as the Acting Chair of the Audit Committee until additional governors had been appointed and the Governance Committee were able to consider the role of Chair.

The Committee ratified the approval of appointment of AA as the Acting Chair for this meeting and until a Chair had been appointed.

A/853 1. Chair’s welcome, apologies, conflicts of interest

The Acting Chair welcomed the attendees. Apologies had been received from JB.

It was **confirmed** that the meeting was quorate.

All attendees were invited to declare any relevant interests, other than those previously noted. It was noted that the Internal Auditors had not received the papers relating to Item 7 and would be asked to leave the meeting for this item, therefore this item would be taken at the end of the meeting. There were no further declarations made.

The Acting Chair noted that should the direction of debate on any item result in any further potential conflict of interest, this should be indicated in the meeting.

The Acting Chair noted that the agenda would be taken in a slightly different order.

A/854 2. Minutes of the last meeting

A) Main Minutes from the last meeting dated 14 June 2023.

The Committee **reviewed** the minutes from the previous meeting and **agreed** that they were a true and accurate account of the meeting.

B) Confidential Minutes from the last meeting dated 14 June 2023.

The Committee **reviewed** the confidential minutes from the previous meeting and **agreed** that they were a true and accurate account of the meeting.

The minutes were approved.

A/855 3. Matters Arising / Action Log

A) Action Log

There was one action outstanding which related to the ongoing review of the revised Public Interest Disclosure (Whistleblowing) Policy with a fuller update provided under Item 10. All other actions had been appropriately closed or marked as complete.

B) Notifications and Disclosures

There were no notifications or disclosures to report.

The action log and updates were noted.

Item 11 was taken at this point.

A/857 4. Audit Committee Key Performance Indicators (KPIs)

Item taken after Item 11.

CT joined the meeting.

JC presented the report noting that Committee KPIs were still to be agreed by the Audit Committee. The suggested KPIs within the report linked to a 3-line approach of Internal Audit, External Audit and Risk Management, with a mix of annual and in-year measures.

The Acting Chair sought the opinion of the Internal and External Auditors who suggested that Committee KPIs were a positive development. The Auditors suggested that the KPIs were suitable.

The Committee discussed the following:

- The suggested KPI of Internal Audit reports being graded at least “substantial” and the potential of this creating wrong behaviours around audits / the choosing of audit areas. The Internal Auditors suggested that this risk was mitigated as

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the Internal Audit plan was created using a balanced approach relating to risk, with the areas challenged by the Audit Committee, Internal Auditors and Executive Team.

- The suggested KPI relating to the reduction in the cumulative residual risk score, noting that this may not be possible due to changes throughout the year. The Committee discussed alternative KPIs around risk reviews and actions of mitigation delivered to time.
- If all of the KPIs were required, as some were expected through the usual course of business.

The Committee **requested** for the KPIs to be reframed based on their discussions and revised KPIs brought to the Committee in March 2024.

Action: JC to reframe the suggested KPIs based on the discussion and bring back for approval at the March 2024 meeting.

Action: Audit Committee to agree which (if any) approved Committee KPIs are to be reported to the Board.

Action: NT to include Committee KPIs within the Audit Annual Report going forward.

The report was noted.

Item 9 taken at this point.

A/859 5. Rolling Audit Recommendations Tracker

JC presented the report, noting that this provided the latest iteration of the audit tracker. There were 18 actions included, 15 of which had been completed, 3 which were not yet due. Wylie & Bissett were due to audit the 15 actions presented as completed ahead of the March 2024 meeting.

Action: JC to work with Wylie and Bissett to confirm validation of completed audit actions at the March 2024 meeting.

The low-grade action relating to the implementation of the Conflicts of Interest policy required an Executive Team approved extension due to the policy undergoing a further internal review along with a planned communication plan for staff. It was noted that this policy would be taken through the Governance Committee ahead of seeking Board approval, and that the extension date would be amended to this effect. The Principal noted the work of the Director of Governance and Compliance within this area.

JC reminded the Audit Committee that they had previously agreed any actions which were of high or medium grade would require Committee approval if an extension was ever required and extension of low-grade recommendations was with the Executive Team to consider.

The report was noted.

A/860 6. Internal Audit Plan 2023/2024 including indicative plans for 2024/2025 and 2025/2026

JC presented the report and noted that this contained an update on the Internal Audit plan for 2023/2024, alongside initial thoughts on Internal Audit plans for 2024/2025 and 2025/2026. These initial plans had been created linking with the audit areas covered by the Internal Auditors to date and the Strategic Risk Register. They had also been shared with the Internal Auditors in advance of the meeting, and it was suggested there may be a need to consider more focus on financial areas.

JC confirmed that a detailed planning meeting would take place with the Internal Auditors in Spring 2024, and from this further changes may be suggested to the initial plan, for example, in relation to financial controls linking with the Colleges Financial Handbook which was expected to be issued by the DfE as a result of the ONS classification change in effect from August 2024.

The Committee **noted** their appreciation of the early sight of the considerations which they found to be useful.

The report was noted.

A/86 7. Evaluation of Internal Auditor Performance 2022/2023

GG left the meeting due to a conflict of interest.

Item taken after Item 18.

JC presented the report and highlighted that this exercise was undertaken by Audit Committee members, the Principal / CEO, and members of the Executive Team and line managers who had dealt with the Internal Auditors during 2022/2023. There had been an 100% response rate, all with positive endorsement of the work and approach of the Internal Auditors, noting a good level of challenge and timeliness of reporting.

The Committee **noted** the level of assurance provided by the evaluation and **queried** if there were any concerns with audits being conducted remotely. It was suggested that this was considered during the tender process, however the approach worked well for the College and proved to be effective. There was also an additional audit trail regarding queries and information shared electronically.

The Committee **approved** for the responses to be shared with Wylie and Bisset.

Action: JC to share evaluation of Internal Auditor Performance with Wylie and Bisset.

The report was noted.

A/861 8. Annual Update on Wider College Audits 2022/23

JC presented the report and noted that this set out additional audit activity, outside of the internal and external audit schedule, which had taken place across the College during 2022/2023. This provided additional assurance, with strong audit outcomes received for each activity. JC noted the scrutiny of some ESFA audits, specifically the potential of size of scope and potential outcomes leading to recovery of funding. This report exemplified the ongoing scrutiny of the College and the work of those dealing with Management Information Systems (MIS) and data.

The Committee **noted** the level of assurance provided and their thanks to the staff involved.

The report was noted.

A/858 9. Information Governance Assurance Framework and Annual Report 2022/23

Item taken after Item 4.

CT presented the report and noted that the Information Governance Assurance Framework was implemented 2 years ago with an annual refresh. The document set out the framework for risk management, along with supporting policies and procedures. The Data Protection policy was due for renewal in March 2024. Freedom of Information (FOI) requests remained at a consistent level and in nature. Data Subject Access

Requests (DSARs) also remained at a consistent level however were time consuming in nature.

Reported data breaches had increased over time however the overall level of these was relatively low and it was felt this could also be attributed to improved reporting processes. All breaches had been due to human error however none were Information Commissioner's Officer (ICO) reportable.

The College were working with Jisc regarding detecting and filtering Distributed Denial of Service (DDoS) cyber-attacks, with Jisc providing a 24-hour service against attacks.

The Committee **noted** the continuous emerging risks relating to cyber and new technologies and **requested** the Executive Team to be cognisant of this as part of their risk review.

Action: CT to consider cyber / technology risks as part of next Executive Risk Register review.

The report was noted.

CT left the meeting.

Item 5 taken at this point.

A/862 10. Public Interest Disclosure (Whistleblowing) Policy Update

NT presented the update report, noting that following on from the report at the previous meeting, the policy was undergoing review by the Principal and Executive Team and would be shared with Trade Unions ahead of seeking recommendation for recommendation at the Joint Audit and Finance & General Purposes Committee meeting on 1st December 2023 for Board approval on 13th Dec.

Post meeting note: Due to timescales, this policy would not be submitted until the March 2024 Audit Committee.

The report was noted.

A/856 11. Business Continuity Update

Item taken after Item 3.

VC presented the report, noting that this was a follow up to the previous report in June 2023. A query surrounding benchmarking had been made at the last meeting, however this had proved difficult to action. It was suggested that the new approach to business continuity planned for the College seemed to be advanced to that adopted in other colleges, with one College working towards operating a similar bronze, silver, and gold response structure.

The report included progress updates to date, including a timeline for future work. The table top exercises had been delayed for completion by October to December 2023 due to annual leave over the summer period.

The draft Business Continuity Plan had been presented to the Executive Team. Training would now be carried out. The finalised Business Continuity Plan would be brought to the Audit Committee for assurance.

Action: VC to present the finalised Business Continuity Plan to the Audit Committee at the March 2024 meeting.

The Committee queried the following:

- The purpose of the table top exercise – it was confirmed that these were to run through the potential scenarios against the theory within the plan, and for the phase 2 approach to include testing the plan.
- The timetable relating to staff training and whether additional training was factored in – it was confirmed that there would need to be additional sessions and a feedback form would be generated post-training to evaluate participation and testing of scenarios.

JC noted his assurance of the work undertaken, noting the level of experience and rigor provided by the external consultant.

The report was noted.

VC left the meeting.

Item 4 taken at this point.

A/863 12. College Risk Management Annual Report 2022/23 and Policy

JC presented the report and highlighted the following:

- The annual report summaries the work undertaken relating to risk over the past 12 months. This included the development and prominence of horizon scanning across the year.
- The positive implementation of the Operational Risk Management group within the College.
- The in-year movement in residual risks within the Strategic Risk Register.
- The Risk Management Policy had been slight revised, and the review of the policy had been brought in line with the annual report to ensure any lessons learned could be factored into the review and future practice.

The Committee discussed and made specific mention of the following:

- The journey of improvement relating to risk.
- The positive culture and strength of infrastructure.
- The continued focus on risk management, and the inclusion of the risk register at each Board and Committee meeting.

The Committee **took assurance** from the report and **noted their thanks** to those involved.

The Committee **recommended** the Risk Management Policy for Board approval at the December 2023 meeting.

Action: NT to agenda the recommended Risk Management Policy at the December 2023 Board meeting.

The report was noted and the policy recommended for Board approval.

A/864 13. Review of the Strategic Risk Register

JC presented the report and highlighted that the only change since the report presented to the Board in October 2023 related to the decrease of the residual risk score of the risk relating to Cyber Security (R9) following the Board's discussion. This continued to the highest scoring residual risk on the register.

JC noted that due to timing, the Committee weren't able to approve the register for presentation to the Board in advance of the meeting however a further revised version would be presented to the Joint Audit and Financial & General Purposes Committee in December 2023, with the request to approve any changes for presentation to the Board.

The report was noted.

A/865 14. Update on Preparation and Progress of the 2022/2023 Financial Statements

DH provided an update, noting that the external audit process was well progressed. There had been no emerging issues, and nothing to bring to the attention to the Committee at this stage. Work on the regularity audit was yet to take place.

The update was noted.

A/866 15. Draft Response: Audit Regularity Self-Assessment Questionnaire

DA left the meeting.

JC presented the report and highlighted the following:

- This report was in draft form for comment and a final version would be submitted to the Joint Audit and Finance & General Purposes Committee in December 2023 for recommendation, ahead of seeking Board approval in December 2023, alongside the financial statements.
- External audit work was yet to take place in this area, and responses would be strengthened if required.

The Committee **queried** the additional questions relating to the ONS reclassification of colleges into central government and if any DfE approvals had been required, it was confirmed that no approvals had been required and documents had been updated relating to the changes and guidance issued throughout the year.

DA re-joined the meeting.

NT confirmed that the audit regularity self-assessment questionnaire for 2023/2024 would be expected in May / June 2024.

The report was noted.

A/867 16. Draft Response: Audit Committee Self-Evaluation

NT presented the report and highlighted that:

- The self-evaluation checklist is the same version used for evaluation of 2021/22.
- The responses were initially drafted by the Director of Governance & Compliance and discussed with the current Acting Chair (AA) ahead of being shared. The Committee was asked to review and consider any areas where they could improve upon current levels of effectiveness, and approve the proposed responses ahead of a finalised version being presented at the Joint Audit and Finance & General Purposes Committee in December 2023.
- The main area for strengthening related to Audit Committee membership and governor recruitment was ongoing to address this.

The Committee **noted** that they had the opportunity to have private discussions with the auditors however considered the opportunity to have a meeting with the internal and external auditors in private, in advance of meetings / the meeting to approve the year end accounts, the auditors noted that this was common with their other clients. It was **agreed** for this to be taken forward and discussed with the new Audit Committee Chair once appointed.

The Committee **approved** for the responses, subject to an additional note being added regarding in-camera sessions going forward.

Action: NT to discuss in-camera sessions with the Chair of Audit Committee, once appointed and add this to the Audit Committee Self-Evaluation.

Action: NT to agenda the Audit Committee Self Evaluation at the Joint Audit and Finance & General Purposes Committee in December 2023.

The report was noted and responses approved for presentation to the Joint Audit and Finance & General Purposes Committee in December 2023.

A/868 17. Draft: Audit Committee Annual Report 2022/2023

NT presented the report and highlighted the following:

- The Audit Committee was required by the Audit Code of Practice (ACOP) to produce an annual report for the Board, summarising the Committee's activities relating to the financial year under review.
- This report was in draft form for comment and a final version would be submitted to the Joint Audit and Finance & General Purposes Committee in December 2023 for approval, ahead of being submitted to the Board in December 2023 along with the financial statements.

JC confirmed that text would be finalised following completion of the External Audit.

NT asked for any comments to be issued ahead of the report being submitted to the Joint Audit and Finance & General Purposes Committee for approval.

The report was noted and responses approved for presentation to the Joint Audit and Finance & General Purposes Committee in December 2023.

Item 7 was taken at this point.

A/869 18. Any Other Business

Meeting Evaluation

The Acting Chair asked the attendees to evaluate the meeting, and the following comments were made:

- Papers were clear, informative and provided assurance. Papers remained content heavy and high-level summaries were useful for Committee members.
- There had been good discussion within the meeting, led by effective chairing.
- There had been a good level of contribution from both the internal and external auditors, with triangulation of the reporting from the Executive Team.
- There was assurance of a strong approach to risk management.

A/870 Date of the next meeting

The date of the next meeting was noted as:

- Joint meeting with Finance and General Purposes – 1st December at 11.15am
- Audit Committee – 5th March 2024

