COLLEGE
EDUCATION
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Meeting of the Audit Committee
Tuesday 5 March 2024 – 4pm to 6pm - Main Minutes

Governors	Type	Initials	Attendance	Apologies
Aneela Ali	Acting Chair - Independent Governor	AA	X	
Eamonn Toland	Independent Governor	ET	X	
Maria Craig	Independent Governor	MC	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	
Ivan Jepson	Director of Business Development and Innovation	IJ	X	
Vicki Casey	Director of People and OD	VC	X^	
David Keetley	Financial Controller	DK	X	
David Hoose	Mazars – External Auditor	DH	X*^	
Siobhan Archibald	Wylie and Bisset – Internal Auditor	SA	X*	

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

A/871 **1. Chair's welcome, apologies, conflicts of interest**

The Chair welcomed the attendees and noted that this was ET's and MC's first meeting since joining the Corporation Board in December 2023. Formal introductions took place between attendees.

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

All attendees were invited to declare any relevant interests, other than those previously noted. There were no further declarations made. The 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.

A/872 **2. Minutes of the Last Meeting – 7 November 2023**

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

The minutes were approved.

A/873 **3. Matters Arising / Action Log**

A) Action Log

It was noted that there were two actions in progress and all other actions had been appropriately closed, marked as complete or were not yet due.

B) Notifications and Disclosures

There were no notifications or disclosures to report.

The action log and updates were noted.

A/874 **4. Audit Committee Key Performance Indicators (KPIs)**

JC presented the report noting that the paper followed a discussion at the previous meeting where the Committee discussed and considered the initially proposed KPIs. Amendments had been made based on feedback, however the KPI relating to risk management remained for further discussion.

The Committee **suggested** for further considerations to be made relating to the risk management KPI, including the frequency of the review of each risk depending on the individual risk score and if this is above tolerable levels.

Action: JC to reconsider the risk management KPI and bring back the report for approval at the June 2024 meeting.

DA provided ET and MC with further detail regarding the risk management within the College and noted the link between the Strategic Risk Register and the Internal Audit planning process. DA noted that IJ also presented an annual report on wider college audits to provide additional assurance.

Action: NT to share Risk Management Policy and the latest Wider College Audit report with ET and MC.

DA noted that NT was working on an assurance mapping framework which would further support the risk register and provide additional assurance of mitigation and controls.

The Committee **queried** the KPIs purpose – it was noted that instead of being a measure of committee effectiveness, the KPIs were in place to allow committees to measure performance of the College, in relation to the College's Strategic Plan, within the relevant committee remit.

The report was noted.

DH left the meeting

A/875 **5. Rolling Audit Recommendations Tracker**

JC presented the report, noting that this provided the latest iteration of the audit tracker. There were 19 actions included, 17 of which had been completed, 2 which were ongoing and had not yet reached their due date.

JC had worked with Wylie & Bissett and Mazars for validation of the completed actions, noting that work was ongoing to validate 4 of the 17 completed actions and these were expected to be validated within the next week. It was agreed JC would provide confirmation out with the meeting of the auditor's view on these remaining actions..

Action: JC to provide a written update to the Committee once the 4 remaining actions had been validated.

The Committee **noted** the low-level priority of recommendations included within the tracker, taking assurance from this.

The report was noted.

6. Internal Audit Reports

A) Staff Wellbeing

SA provided summarised the remit of the review, and noted the overall conclusion of the report was 'Strong'. 1 low grade recommendation had been made, and 8 points of good practice highlighted.

The Committee **noted** the strong assurance provided by the report and the strength of the sector benchmarking. The Committee **took assurance** from the positive position regarding staff wellbeing, noting the link to the People pillar of the College Strategic Plan.

DA noted the link between this internal audit report and the recent reporting to the People Committee regarding staff absence, noting that the recommendations from the report may help manage absence.

B) Payroll

SA provided summarised the remit of the review and noted the overall conclusion of the report was 'Strong'. 3 low grade recommendations had been made, and 7 points of good practice highlighted.

In considering the internal audit report and the recommendation regarding the need to review the processes in place for staff leavers, the Committee **sought assurance** that college equipment was being returned when staff departed, with a specific focus on whether this would have any data protection implications.

Action: NT / VC to follow up with IT regarding equipment being returned by staff leavers.

The Committee **queried** if there were instances of leavers departing with College property not being returned. It was confirmed this would be reviewed by VC and an update provided at the next Audit Committee meeting.

Action: VC to facilitate internal checking exercise to take place for any leavers from August 2023.

C) Business Continuity

SA provided an overview of the remit of the review, and noted that the overall conclusion of the report was 'Strong'. 1 low grade recommendation had been made, and 15 points of good practice highlighted.

The Committee **noted the assurance** provided by the benchmarking and content of the plan.

The Committee queried the following:

- The assurance level of 'strong' whereby testing of the Business Continuity Plan had not yet taken place. It was confirmed that the audit was around the process rather than the testing of the plan.

- The tolerating of risks where they are at the top of their tolerable risk levels (noting that the tolerable level for the risk relating to business continuity was 6-8 and the residual score was currently 8). It was confirmed that the Internal Audit recommendations / actions would be added into the register and further improvements on the Business Continuity Plan would be made.

Action: VC to add the Internal Audit recommendation / actions to the Business Continuity risk on the risk register.

The Committee **recognised** the work of the Health and Safety Manager within the area of Business Continuity.

DA suggested that the Internal Audit plan for 2024/2025 could be reviewed to possibly include a further follow up of Business Continuity, which would enable the plan and its operation to be considered. This suggestion was **endorsed** by the Committee.

Action: JC to consider the area of Business Continuity within the 2024/2045 Internal Audit Plan.

D) Student Experience

SA provided an overview of the remit of the review, and noted that the overall conclusion of the report was 'Strong'. 1 low grade recommendation had been made, and 12 points of good practice highlighted.

The Committee **noted** the positive logging of interactions and **took assurance** from the number of different mechanisms to seek feedback.

The Committee **queried** if the live chat was manned by a staff member rather than a bot and it was confirmed to be a staff member.

The Committee **queried** how the benchmarking was calculated and SA confirmed that benchmarking was carried out against internal audits carried out within the last couple of years across English based colleges.

The Committee **queried** the reporting mechanism for sharing Internal Audit reports with Audit Committee where there were gaps between meetings. It was confirmed that the Internal Audit plan was designed to align to the calendar of meetings however on this occasion the Staff Wellbeing audit was after the November 2023 meeting. It was confirmed that if there was a matter of significance, audit reports would be shared with the Committee in between meetings with an additional meeting scheduled if appropriate.

DA confirmed that internal audit reports would be shared with the relevant College Board committees for information during the next cycle of meetings.

Action: NT to share Internal Audit reports with relevant committees for information at their next meetings.

The reports were noted.

A/877   **7. Business Continuity Plan Update**

VC outlined that this provided a further update following on from reports provided at previous meetings. The paper provided an update on work completed to date and future actions. The Business Continuity Plan was being reviewed by the Executive Team and was being continuously adapted based on feedback. It was noted that this document would continue to evolve.

VC confirmed that the Health and Safety Manager was part of a regional emergency response planning group.

The report was noted.

A/878   **8. Policies for Recommendation**

8.1. Whistleblowing and Disclosure Policy

NT presented the policy, noting that this was a redraft to amalgamate the College's current two policies (one for staff and one for students). Updates also included changes in the designated officers and clarity of process. The policy had also been widened to include an approach for members of the public to whistle blow. The policy had undergone a legal review to ensure it aligned with legislation. NT confirmed that training would take place for the designated officers.

The Committee <u>queried</u> the following:

- The inclusion of the email address for the Chair of Audit Committee – it was confirmed this would be added however hadn't been included at present with AA covering for the interim period.

- Notifications previously raised – it was confirmed that notifications had been previously raised however not in the last couple of years. NT noted that the inclusion of the "notifications and disclosures" standing agenda item was in place to ensure any relevant notifications and disclosures were reported to the Audit Committee and their importance reiterated.

- If a hotline number was available for whistle-blowers – it was confirmed not and that the College were comfortable with the mechanisms in place for reporting.

- The communications plan for publication of the policy – it was confirmed that this query linked to a Policy on Policies which was being drafted, however all updated policies were added to the College Staff Intranet and notification of these were on the main homepage. It was agreed for a communication plan to be thought out, along with consideration of highlighting the importance of Whistleblowing concerns at induction. The Committee <u>**noted**</u> the importance of this, linking with a positive and open culture for the College.

    Action: NT to consider communication plan for Whistleblowing Policy.

The Committee <u>**requested**</u> for a workflow / diagram of reporting to be added to the policy for clarity.

Action: NT to add workflow / diagram of reporting to policy and to arrange training for designated officers.

The Committee <u>recommended</u> the Whistleblowing and Disclosures Policy for Board approval, subject to the considerations noted.

8.2. Conflicts of Interest Policy

NT presented the policy, noting that this was a new policy. The current guidance relating to conflicts of interest was included within the College's Financial Regulations, however NT had drafted a standalone policy for implementation. This was then highlighted during the Corporate Governance Internal Audit in May 2023, where one of the actions noted that the policy was in draft form and should be finalised and approved. The policy had undergone a legal review to ensure it aligned with legislation and the forms included as part of the policy were in the process of being legally checked.

In reviewing the updated policy with legal advisors, conversations had considered whether there was a requirement to register all interests or conflicts of interest, and the guidance was specific to conflicts.

It was noted that all colleges have a requirement to include any third-party related transactions within the College's annual Financial Accounts and DA noted that the ESFA had been approached for advice on this given that it is all conflicts not all interests that are to be declared.

The Committee <u>**suggested**</u> for the gifts / hospitality reportable limits to be included within the forms for completion.

Action: NT to add in gifts / hospitality reportable limits within the Conflicts of Interest Forms.

The Committee <u>recommended</u> the Conflicts of Interest Policy for Board approval, subject to the considerations noted.

8.3. Data Protection Policy

NT presented the policy, noting that only minor amends had been suggested based on the policy which was rewritten in 2022. NT noted that the role of Data Protection Lead within the College had transferred from the Head of Quality Improvement to the Director of Governance & Compliance (NT), with both posts continuing to work together during the transitional period.

NT confirmed that the Data Protection and Digital Information Bill was currently at Committee Stage in the House of Lords and the policy would need to be re-reviewed following royal assent (if applicable).

The Committee <u>recommended</u> the Data Protection Policy for Board approval.

It was confirmed that Equality Impact Assessments (EIAs) would be undertaken for each policy ahead of seeking Board approval. NT noted that a query had been received at the People Committee regarding a holistic view of the outcomes of EIAs and this was something the College were going to be considering.

The Committee **<u>noted their thanks</u>** for NT's work within the area of policies.

The policies were recommended for Board approval.

A/879 ### 9. Assurance Mapping Framework Update

NT presented the report, noting that an Assurance Mapping Framework exercise had been started developing on from the College's 3 current Assurance Frameworks linked to Health & Safety, Safeguarding, and Information Governance.

The assurance map framework linked to the 'three lines of defence' model.

It was confirmed that a draft of the document would be shared at the June 2024 meeting.

Action: NT to present the Assurance Mapping Framework at the June 2024 meeting.

The Committee **<u>noted</u>** that this was a good piece of work and that a further update would follow at the next meeting.

The report was noted.

A/880 ### 10. Review of the Strategic Risk Register

JC presented the report and highlighted that:

- In relation to the horizon scanning section of the risk register, the Executive Team were continuing to develop this and were looking at horizon scanning over a longer period associated and internal / external factors. This would be presented at the April 2024 Board meeting. Additions to the horizon scan at this meeting included:
  - Timely expenditure of capital grants. This related to the terms and conditions of capital grants that the College has received.
  - Disruption caused by local infrastructure projects (Gateshead Quays development, Tyne Bridge repairs etc) adversely impacts on travel to learn/travel to work.

- ○ Political uncertainty in the period prior to a UK general election.
- The Operational Risk Management Group continued to meet termly and highlighted areas of potential concern which were then reviewed by the Executive Team for consideration at a strategic level. This group discussed impact of long-term sickness.
- *Covered under a confidential minute.*

The Committee <u>discussed and queried</u> the following:

- The decision to continue to 'treat' the risk relating to sustainability where the tolerable level score was between 6 and 8, and the current score being 3 – it was noted that this was a new risk to the register and the College wanted to continually engage with the challenges faced.

- When horizon scanning items would become incorporated within the Strategic Risk Register – it was confirmed that the Executive Team reviewed the risk register on a monthly basis and considered if any items included within the horizon scanning were to be escalated.

- The process for tolerating risks when at the top end of their tolerable level – it was confirmed that the Executive Team discussed and reviewed the register in terms of the treat vs tolerate approach for each risk.

- The frequency of the review of the appetite and risk definitions – it was confirmed that this takes place annually alongside a review of the Risk Management Policy.

- Where the Committee could obtain strong assurance where risks where outside of their tolerable level – it was suggested that this would be by the mitigations in place and external assurance provided.

The report was noted.

A/881   **11. Evaluation of External Auditor Performance**

JC presented the report, noting that positive feedback had been received from members of the Committee, Executive Team and staff involved within the External Audit Process.

The Committee **agreed** for the responses to be shared with Mazars.

Action: JC to share responses with Mazars.

The update was noted.

A/882   **12. Any Other Business**

<u>Meeting Evaluation</u>

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

- There was a good level of challenge and contribution from Committee members.
- Papers were clear and provided a good level of assurance.
- Presentation of Internal Audit reports could be shortened with Committee members having read the reports in advance.
- The new Committee members provided a fresh perspective and learning from additional sectors.

A/883 **Date of the next meeting**

The date of the next meeting was noted as 11th June 2024.