

Minutes of the Audit Committee meeting held on Monday 27th November 2023 at 5pm via Microsoft Teams

Members Present: Liam Butler (Chair)
Wendy Davies
Liz Sithole

In Attendance: Gill Darwood (Director of Corporate Governance) (DCG)
Jane Grimshaw (Bishop Fleming)
Louise Jones (Chief Finance Officer) (CFO)
Craig Sullivan (Bishop Fleming)
Neil Thomas (Chief Executive & Principal) (CEP)
Louise Tweedie (RSM)

Committee administrative matters

1 **Confirmation of quorum**

1.1 The Director of Corporate Governance (DCG) confirmed that the meeting was quorate.

2 **Apologies for absence**

2.1 There were no apologies for absence.

3 **Declarations of interest**

3.1 There were no declarations of interest.

4 **Approve minutes of previous meeting held 2nd October 2023**

4.1 The minutes and confidential minutes of the meeting held on 2nd October 2023 were accepted as an accurate record by members.

5 **Matters arising**

5.1 There were no matters arising.

External Audit 2021/22

6 **Confidential Management Letter with Annual Report and Financial Statements 2022/23**

This matter is the subject of a separate and confidential minute.

7 **Letter of Representation**

7.1 The letter of representation had been prepared by Bishop Fleming to support the Corporation in confirming that:

- The Corporation had fulfilled their responsibilities in accordance with the UK Financial Reporting Standards, the FE/HE Statement of Recommended Practice and the College Accounts Direction for 2022/23.
- All information had been made available to Bishop Fleming.
- Grants made by DfE/ESFA had been applied for the purposes intended and there had been no breaches in grant conditions.

- The College's expenditure had been applied to the purposes identified by Parliament.
- The financial statements were prepared on a going concern basis.
- The Accounting Officer had fulfilled his responsibilities under the requirements of the funding agreement between the College and the Secretary of State for Education and the relevant Financial Handbook.

7.2 **It was resolved** to recommend the letter of representation to the Corporation.

8 **Audit Committee's Annual Report for 2022/23**

8.1 The DCG presented the report which summarised the work undertaken by the Committee in 2022/23. To comply with the Audit Code of Practice, as reflected in the Audit Committee terms of reference, the annual report summarised the committee's activities relating to the financial year under review, including:

- Any significant issues arising up to the date of preparation of the report.
- Any significant matters of internal control included in the management letters and reports from auditors or other assurance providers.
- The number of meetings held in the year, an explanation where this was less than three meetings, and attendance records for each member of the Committee.
- The appointment date of the external auditors and the remaining term of the contract.
- The committee's view of its own effectiveness and how it had fulfilled its terms of reference.
- The Audit Committee's opinion on the adequacy and effectiveness of the corporation's assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets.

8.2 The DCG reminded members that the Corporation would rely on the Committee's report in its consideration of the financial statements for the year ended 31 July 2023. A copy of the Audit Committee's Annual Report would be submitted to the relevant funding body with the annual accounts.

8.3 **It was resolved** to approve the audit committee's annual report for 2022/23.

Internal Audit Matters

9 **Internal Audit Reports**

9.1 L Tweedie presented the Internal Audit Progress Report which set out the work carried out in the 2023/24 academic year to-date. The following review had taken place since the last Audit Committee and the report was attached for consideration.

- **Quality Assurance Review:** RSM had given substantial assurance on the College's quality assurance framework. Three audit recommendations had been agreed with management in relation to the Learning and Teaching

Development strategy and the probationary lesson observation form. These recommendations would be implemented by July 2024.

9.2 **It was resolved** to note the report on the quality assurance review.

10 **Rolling Schedule of Audit Recommendations**

10.1 The CFO presented the report which summarised the progress made in implementing the recommendations contained in the audit reports submitted by RSM (internal audit) and Mazars (Sub-contract controls). It excluded recommendations that had been confirmed by RSM as implemented in their follow up audit in May 2023. The report retained all audit recommendations until RSM had confirmed implementation.

10.2 Key points were noted as:

- 4 recommendations had been fully implemented since the October report, 3 recommendations from the Quality Assurance Systems report had been added, with a total of 20 recommendations now being implemented.
- 11 of the remaining recommendations were not yet due.
- 9 were in progress.

10.3 Two recommendations were subject to delay (partnership framework) and this was due to a change in job roles within the partnership team. It was expected that these actions would be back on track shortly.

10.4 In response to a question from the Chair, the CFO advised that she endeavoured to check that dates set against actions were reasonable, noting that some actions had changed owners due to staffing changes. Any actions that related to September enrolment activity would roll over to the following year. She confirmed that the action relating to learner number systems related to apprenticeships which was an all year round enrolment so would not impact on funding. She explained that before any actions were signed off, staff had to provide evidence that they were fully implemented.

10.5 **It was resolved** to note the rolling schedule of audit recommendations.

Risk Management Matters

11 **Risk management update**

11.1 The CFO presented the risk register update. There were no changes to the risk scores on this update. There were currently no risks with a very high risk score (12 and above). Most actions to mitigate risks were complete or in progress. The following areas had actions that were delayed:

11.2 *Standards Committee*

- Update the work placement procedure to ensure quality and consistency of approach across the college; and
- Implement the workplace assessment (risk) was completed for all student groups in the workplace and recorded on ProEngage.

Both actions related to the risk regarding work placements and the owners of these actions were proactively working to get these arrangements in place.

11.3 *Finance Committee*

- The new management team were focused on the delivery of the IoT business plan year 3. Actions to introduce HE provision and to improve efficiency and the contribution by course at the IoT had yet to be concluded; and
- Although we had measured the College's carbon emissions on an annual basis for some time, we were continuing to finalise our agreed milestones that will deliver the net zero commitment.

11.4 L Jones provided an update on each of these, noting that the owners of these actions were proactively working to undertake the identified actions.

11.5 The Chair asked if any emerging risks had been identified which were not yet on the risk register. The CFO advised that with the launch of the new strategic plan the risk register would be reviewed to ensure that any new risks were included which might prevent achievement of those objectives.

11.6 The CEP highlighted the existing risk relating to delivery of the IoT year 3 business plan, through lack of delivery by HEI partners, explaining the activity which was underway to mitigate this risk.

11.7 **It was resolved** to note the risk register update.

12 **Risk Management Policy review**

12.1 The CFO advised that the risk management policy and procedure had been reviewed. The policy incorporated sector best practice and recommendations made by RSM following their internal audit review of risk management. There were no substantial amendments made to the policy.

12.2 **It was resolved** to recommend the risk management policy to the Corporation.

13 **Any Other Business**

13.1 There were no items of other business.

14 **Date of next meeting**

14.1 The next meeting of the committee would be held on 4th March 2024 at 5pm.

The meeting closed at 17.45 hours.

Approved by committee members at the meeting held on 4th March 2024.