

Minutes of the Audit Committee meeting held on Monday 25th November 2024 at 5pm via Microsoft Teams

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

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

Main outcomes

- *Confidential Management Letter (with Annual Report and Financial Statements 2023/24) recommended to Corporation.*
- *Letter of Representation recommended to Corporation.*
- *Audit Committee's Annual Report for 2023/24 approved.*
- *Internal Audit Update report noted.*
- *Rolling Schedule of Audit Recommendations noted.*
- *Risk management update noted*
- *Risk Management Policy recommended to Corporation.*
- *Anti Bribery, Fraud and Corruption Policy recommended to Corporation.*

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 Minutes of previous meeting held 30th September 2024

- 4.1 The minutes of the meeting held on 30th September 2024 were accepted as an accurate record by members.

5 Matters arising

- 5.1 Minute 14.4 – one new risk relating to implications of the senior leadership changes had been added to the risk register prior to approval by the Corporation.

External Audit Matters

6 **Confidential Management Letter with Annual Report and Financial Statements 2023/24**

This matter is the subject of a separate confidential minute.

7 **Letter of Representation**

7.1 The CFO advised that 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 2023/24.
- 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.
- The College deemed the amount of £525k owed by TTPL to be recoverable.

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

8 **Audit Committee's Annual Report for 2023/24**

8.1 The DCG presented the annual report which summarised the work undertaken by the Audit Committee in 2023/24.

8.2 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 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.

- 8.3 The DCG advised that the Corporation would rely on the Committee's report in its consideration of the financial statements for the year ended 31 July 2024. A copy of the Audit Committee's Annual Report would be submitted to the relevant funding body with the annual accounts.
- 8.4 **It was resolved** To approve the annual report of the Audit Committee for 2023/24.

Internal Audit Matters

- 9 **Internal Audit Update report**
- 9.1 L Tweedie introduced the Internal Audit Progress Report which set out the work planned for the 2024/25 academic year to-date.
- 9.2 No internal audit reports were yet available for this academic year but reports would be provided as the year progressed.
- 9.3 **It was resolved** to note the internal audit progress report.
- 10 **Rolling schedule of audit recommendations**
- 10.1 The CFO presented the report which provided details of the progress made in implementing the recommendations agreed in the audit reports submitted by internal audit. It excluded recommendations that had been confirmed by RSM as implemented in their follow up audit in May 2024. The report retained all audit recommendations until RSM had confirmed implementation. The report identified those recommendations that remained in progress and highlighted those that had been completed. Progress had been made since the last report with 4 recommendations implemented. There were 11 recommendations currently being implemented or not yet due.
- 10.2 **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 management report, advising that the senior team undertook a monthly review of the risk register to assess if the risk scores were still accurate, to ensure that all appropriate actions were noted and good progress was being made. A chart illustrated the number of risks being considered by each committee and the net score or severity of risk.
- 11.2 The risk score relating to Alternative Provision had been downgraded from red to amber as the College was now seeing a positive move to fund places in the Borough.
- 11.3 All actions were on track for completion with a number already marked as complete. The College would continue to implement the mitigating actions and a review of the risk scores would be undertaken in the new year, ready for an updated report to the next committee.
- 11.4 **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.

12.2 There was an amendment to references to the Chief Executive and Principal to be gender neutral. The policy also now included reference to the College Financial Handbook which required that responsibility for risk management, including ultimate oversight of the risk register, must be retained by the board of governors, drawing on advice provided to it by the audit committee.

12.3 In response to a question from the Chair, L Tweedie advised that in her experience the risk management process at the College was conducted to a high standard, and had taken on board advice provided by RSM. The risk register was a live document and owned by the executive team. She noted that some organisations found it helpful to have facilitated workshops to focus on the risk register content as opposed to the structure, which may be helpful in the future as Colleges became more aligned to other public sector organisations.

12.4 **It was resolved** to recommend the updated Risk Management Policy to the Corporation for approval.

13 **Anti Bribery, Fraud and Corruption Policy**

13.1 The CFO advised that under the accountability agreement with DfE and various funding agreements, colleges must establish and maintain an adequate system of internal control, to ensure compliance, and to prevent and detect error, irregularities and suspected fraud (including theft, bribery and corruption). This was also a requirement of the College Financial Handbook, which was now referenced in the policy. The only amendment made to the policy was the reference to the College Financial Handbook.

13.2 **It was resolved** to recommend the updated Anti-Bribery, Fraud and Corruption Policy to the Corporation for approval.

14 **Any Other Business**

14.1 There were no matters of other business.

15 **Date of next meeting**

15.1 The next meeting of the committee was scheduled to take place on 3rd March 2024.

The meeting closed at 17:36 hours.

Approved by committee members at the meeting held on 3rd March 2025.