

**MINUTES OF MEETING OF
THE AUDIT COMMITTEE
HELD VIA TEAMS AT 5.30PM ON THURSDAY 24 JUNE 2021**

Present: Mr M Stone (Chair)
Mr A Brown
Mr A Gold

In Attendance: Mr G Dixon (Vice-Principal Finance and Resources)
Mrs J Matthews (Director of Governance)
Mr P Harrison (TIAA)
Mrs K Rae (Armstrong Watson)
Professor J Craig

ACTION

- M20/59 PRIVATE MEETING WITH THE AUDITORS**
A private meeting was held between the Committee and representatives of TIAA and Armstrong Watson, in the absence of the Vice-Principal (Finance and Resources). Ms Rae highlighted the changes required by the ESFA to the audit approach for 2020-21 relating to the College's entitlement to funding. She confirmed that the work would be carried out as an interim audit in advance of the main audit to gain the necessary assurance.
- The Vice-Principal (Finance and Resources) joined the meeting at this point.*
- M20/60 APOLOGIES FOR ABSENCE**
There were apologies for absence from Ms Peters-Day and Mrs Jane Butterfield from TIAA. The Chair welcomed Mr Peter Harrison in her place.
- M20/61 DECLARATIONS OF INTEREST**
There was a declaration of interest from Mr Brown in relation to Craven District Council.
- M20/62 GDPR ANNUAL REPORT 2020-21**
The GDPR Annual report 2020-21 had been circulated and the Vice-Principal (Finance and Resources) reported that Mr Roper-Newman had left Craven District Council and so would no longer serve as the College's Data Protection Officer. It was noted that work was ongoing to source a new DPO and in response to a question about the likelihood of having someone in post, the Vice-Principal (Finance and Resources) reported that there were a number of different options being discussed and he was confident an appointment would be made. It was recommended that there be an understanding of the resilience of the new provider to ensure continuity in the event of the DPO leaving.
- M20/63** Members noted that there had been one complaint to the ICO but no further action was required by the ICO. The Committee recognised the risks that may have been created as a result of online teaching and emphasised the importance of all staff adhering to procedures.
- M20/64 REPORT ON MATTERS FROM THE BOARD**
The Vice-Principal reported on the sale of the High Street and it was noted that a further update should be available at the next meeting of the Board.
- M20/65** The Vice-Principal (Finance and Resources) updated the Committee on the situation in relation to AEB funding and it was noted that the most recent funding claim was for 78%, which would result in a 12% cash clawback from December 2020. This had been built into the financial forecasts.

MINUTES OF 18 MARCH 2021		
M20/66	The minutes of the meeting held on 18 March 2021 were approved. A member of the Committee queried the use of the terms “member” and “Governor” and the Director of Governance reported that the term “member” included those Committee members, such as co-optees, who were not Governors.	
MATTERS ARISING ON THE MINUTES OF 18 MARCH 2021		
M20/67	The Committee noted the action tracker circulated and the Vice-Principal (Finance and Resources) reported that there were a number of actions in relation to GDPR that would be followed up with the new DPO once in post.	
M20/68	<i>M20/16 – outstanding audit recommendations</i> It was reported that TIAA were in the process of carrying out the follow-up review which would take into account outstanding audit recommendations.	
M20/69	<i>M20/46 – shared services and collaboration with other colleges</i> The Vice-Principal (Finance and Resources) reported that there had been limited progress in relation to possible shared services, but that discussions were taking place with Nelson and Colne, as well as applications to the College Collaboration Fund. It was agreed that the target date be amended to a later date.	Director of Governance
EXTERNAL AUDIT STRATEGY 2020-21		
M20/70	Ms Rae presented the external audit strategy for 2020-21 and members noted the non-audit service provided relating to advice between the auditors and the Auction Mart.	
M20/71	It was agreed that Mr Gold, as a co-opted member, should also be included on the related parties list and the updated Governors related parties list would be shared with the auditors. Members of the Committee confirmed that there were no additional risks that they were aware of and approved the External Audit Strategy for 2020-21.	Director of Governance
INTERNAL AUDIT		
Exams audit report		
M20/72	Mr Harrison introduced the Exams internal audit report and members noted the generally good assurance.	
Capacity and Delivery Fund audit report		
M20/73	The Committee had received the Capacity and Delivery Fund report and noted the contents, which reflected good assurance.	
Planning and Forecasting audit report		
M20/74	The Planning and Forecasting report had been circulated and it was noted that there was one Priority 2 recommendation, but otherwise there had been reasonable assurance.	
Review of Performance 2020-21		
M20/75	The Vice-Principal presented a paper reviewing the performance of the internal auditors against agreed KPIs. It was noted that there had been a good level of service and a good dialogue with College management.	
Internal Audit Strategy 2021-22		
M20/76	Mr Harrison presented the internal audit strategy for 2021-22 and it was noted that it was a 3-year plan that was revisited annually, and in approving the plan, the internal audit charter was also being approved.	
M20/77	Members of the Committee discussed emerging risks, including the potential of staff shortages in certain sectors and students therefore leaving before completing their	

	courses.	
M20/78	The Committee challenged whether the plan should include some work around staff wellbeing and the level of HR support available to them to ensure they remain well and able to work. It was noted that loss of key staff was one of the risks identified on the risk register. After discussion, the Committee requested that the payroll audit should be moved to 2022-23 and a review on staff wellbeing and support be included for 2021-22. The Vice-Principal (Finance and Resources) agreed to update the plan prior to submission to the Board.	VP (F&R)
M20/79	A question was asked about whether the budgetary control review would look at the College's contribution model and it was agreed that TIAA would include that in the scope of the budgetary control review. It was agreed that could be carried out in Term 3 to allow the new model to be embedded.	TIAA/VP F&R
M20/80	The Committee discussed the network/cyber-security audit and it was reported that would look at both network resilience and training and awareness. It was noted that the business continuity audit was currently taking place and the report would be submitted to the next meeting.	VP (F&R)
M20/81	Subject to the amendments agreed, the Committee recommended the Internal Audit Strategy 2021-22 to the Board for approval.	
	UPDATE ON AUDIT RECOMMENDATIONS	
M20/82	Members had received an update on progress on audit recommendations and it was requested that the follow-up report be available for the final meeting of the year in future.	TIAA/VP F&R
M20/83	A question was asked about progress with the asset register and it was reported that the previous DPO had been working on that, and it would be passed to the new DPO once appointed. A report would be available for the next meeting and it was emphasised that the College should ensure one was in place.	VP F&R
	POLICY REVIEWS	
	Anti-fraud and Anti-bribery Policy	
M20/84	The updated Anti-fraud and Anti-bribery Policy had been circulated, which included the Fraud Response Plan and it was requested that relationships between staff in the College be mapped by HR as those might make the College vulnerable to fraud. It was agreed that this process would also be added to the Counter Fraud Strategy. The Committee recommended the updated Anti-fraud and Anti-bribery Policy to the Board for approval.	VP F&R DG
	ANNUAL REPORTS	
	Whistleblowing, Fraud and Bribery annual report 2020-21	
M20/85	The annual report on Whistleblowing, Fraud and Bribery for 2020-21 had been circulated and it was agreed that there should be a biennial review of the Whistleblowing Policy. It was noted that all staff had been required to complete a new mandatory training package on Anti-bribery.	
M20/86	The Committee discussed the absence of gifts above the threshold of £25 and noted that it was unsurprising in the current climate. A query was raised about whether a register of gifts given by the College was maintained, and it was agreed that would be established moving forward. The Vice-Principal (Finance and Resources) confirmed that he would remind the Principal of the thresholds and reporting of gifts and hospitality.	DG VP F&R

Freedom of Information annual report 2020-21

M20/87 The Committee received the Freedom of Information annual report 2020-21 and noted that the number of requests was declining year on year.

POST-16 AUDIT CODE OF PRACTICE

M20/88 A paper had been circulated summarising the changes to the Post-16 Audit Code of Practice and mapping current practice to the requirements, along with the Fraud Checklist and Counter Fraud Strategy. The Committee noted the report.

TERMS OF REFERENCE

M20/89 The Committee had received the updated terms of reference for the Committee, incorporating the requirements of the new Post-16 Audit Code of Practice which were **recommended** to the Board for approval.

RISK MANAGEMENT

Risk Register

M20/90 The risk register had been circulated and the contents noted. The updated Risk Management Policy had been circulated and the Committee **recommended** it to the Board for approval. A question was asked about progress with the risk appetite statement and it was confirmed that it was being presented to the Board for discussion at its meeting in July.

Review of meeting

M20/91 The Committee reviewed the effectiveness of the meeting and agreed that all reports were clear and well-presented.

The Chair thanked Ms Rae and Mr Harrison and they left the meeting at this point.

Private meeting with College management

M20/92 A private meeting took place between the Committee and College management without the auditors present.

Date of next meeting

M20/93 Members noted that the next meeting of the Committee was scheduled for 4pm on Wednesday 1 December 2021

The meeting closed at 7.10pm.