

**MINUTES OF MEETING OF
THE AUDIT COMMITTEE
HELD VIA TEAMS AT 5.30PM ON WEDNESDAY 23 MARCH 2022**

Present: Mr M Stone (Chair)
Mr A Brown
Professor J Craig (from M21/37)

In Attendance: Mr G Dixon (Vice-Principal Finance and Resources)
Mrs J Matthews (Director of Governance)
Ms J Butterfield (TIAA)
Mx L Johnson (Principal and CEO) (to M21/39)

		ACTION
	APOLOGIES FOR ABSENCE	
M21/34	There were apologies for absence from Mr Gold and Ms Rae from Armstrong Watson; Professor Craig was late joining the meeting. It was reported that Ms Peters-Day had resigned from the Board, and therefore the Committee.	
	DECLARATIONS OF INTEREST	
M21/35	It was reported that the loan with Craven District Council had now been settled and there was therefore no declaration in relation to Mr Brown's role as a Craven District Councillor.	
	RISK MANAGEMENT	
	Annual report	
M21/36	The Principal presented the Risk Management annual report which would be submitted to the Board at its next meeting. It was noted that eight risks remained red and twelve required an action plan. Governors questioned whether the risk around financial stability should remain amber given the mitigating actions. The Vice-Principal (Finance and Resources) reported that it related to shortfalls in income and the College had not yet sold the High Street building or received confirmation from the ESFA of good financial health. It was agreed that once those two points had been met, the risk rating should move to green.	VP F&R
M21/37	A Governor commented that there was no evidence of a risk relating to Equine Unit over-run and the Vice-Principal (Finance and Resources) reported that the build was progressing well and may even be ready earlier than anticipated. It was, however, agreed to include it as a project risk.	V F&R
M21/38	A Governor challenged the amber rating for loss of key staff, and the green rating against the inability to recruit, expressing concern about staff leaving. The need to take such risks more seriously was emphasised, particularly in the light of no pay increase. The Principal agreed to increase the risk rating and put together an action plan to address it. In addition, it was requested that teaching and professional services be considered separately given the different challenges each faced.	Principal Principal
M21/39	The Principal left the meeting at this point.	
	MINUTES OF 1 DECEMBER 2021	
M21/40	The minutes of the meeting held on 1 December 2021 were approved.	
	MATTERS ARISING ON THE MINUTES OF 1 DECEMBER 2021	
M21/41	The Committee noted the action tracker circulated.	
M21/42	<i>M21/09 – risk appetite</i> The Chair agreed to respond to the Vice-Principal (Finance and Resources) regarding risk appetite.	Chair/VP F&R

INTERNAL AUDIT REPORTS

Staff Wellbeing

M21/43 Members had received the Staff Wellbeing audit report which was presented by Ms Butterfield and it was noted that there was one important recommendation regarding the sickness absence policy, but overall reasonable assurance had been given. A Governor highlighted that the audit did not provide Governors with much information about the wellbeing of staff and that other processes were required for the Board to assure itself about staff morale and wellbeing. The Vice-Principal (Finance and Resources) reported that rich data had emerged from the staff listening sessions and that had been shared with the Staffing and Remuneration Committee. Members agreed that it was important to have a range of ways to get the necessary assurance around this.

Safeguarding report

M21/44 The Committee had received the Safeguarding audit report which had received limited assurance with one urgent recommendation around prohibition from teaching checks on new staff. Governors questioned the reason for this oversight and the Vice-Principal (Finance and Resources) reported that there had been changes in the HR team but that the recommendation had been actioned immediately and a process was in place for the future. A question was asked about whether the field on the single central record was a detective control, and it was confirmed that it was, but it was now part of the onboarding process.

M21/45 Governors expressed serious concerns at the failure to complete such fundamental checks and that it presented a structural concern that there may be other processes also not taking place. In response to a question as to the reporting line for HR, it was confirmed that the Director of HR reported directly to the Principal. The Director of Governance updated members on the paper to be presented to the Board the following week proposing a restructuring of the SMT, including HR. Members agreed that they would like the new Head of HR to attend a future meeting, in the autumn term.

VP F&R/DG

Apprenticeships report

M21/46 Ms Butterfield presented the Apprenticeships report which had received reasonable assurance and it was noted that there was a need to digitise the paper-based systems in use. Governors queried why the management response did not reflect the opportunity to reduce duplication and make the system more efficient and whether that would be happening. The Vice-Principal (Finance and Resources) reported that the apprenticeships team were looking at systems to streamline the processes.

Budgetary control

M21/47 The Committee received the Budgetary control report and noted that substantial assurance had been given. Congratulations were expressed to the team.

IT Disaster Recovery

M21/48 **CONFIDENTIAL MINUTE**

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M21/51

UPDATE ON AUDIT RECOMMENDATIONS

M21/52 Members had received an update on progress on audit recommendations and it was noted that whilst there had been good progress on IT, there was more to do on the physical aspects around business continuity, and it was unlikely that it would be achieved in the current year. The Committee requested that any actions overdue from their original data be flagged in future.

VP F&R

POLICY REVIEWS

Anti-money Laundering

M21/53 The updated Anti-money laundering policy had been circulated and a question was asked about whether staff were aware of the process, and whether any training had been provided. The Vice-Principal (Finance and Resources) agreed to deliver some training to customer service and finance teams and the Committee **approved** the policy as circulated.

VP F&R

Data Protection

M21/54 The revised Data Protection policy had been circulated which had been updated to reflect latest legislation and the Committee **approved** it as circulated.

Ms Butterfield left the meeting at this point.

AUDIT PROVISION

M21/55 A paper had been circulated regarding future audit provision and it was noted that both internal and external auditors had been appointed for an initial period of three years. Members agreed that the performance of both sets of auditors had been good and noted that a change had been proposed to the financial regulations by the Finance, Resources and Investment Committee to provide for retendering of audit services every five years. The Committee therefore agreed to **recommend** to the Board that Armstrong Watson and TIAA both be reappointed for a further 2-year period, from July 2022, ending in July 2024. A tender process would then take place at the end of that period.

REVIEW OF MEETING

M21/56 The Committee reviewed the effectiveness of the meeting and noted that some additional risks around staffing had been identified earlier in the meeting.

Date of next meeting

M21/57 Members noted that the next meeting of the Committee was scheduled for 5.30pm on Wednesday 15 June 2022.

The meeting closed at 6.45pm.