

**MINUTES OF MEETING OF
THE AUDIT COMMITTEE
HELD VIA TEAMS AT 5.30PM ON THURSDAY 20 APRIL 2023**

Present: Mr R Scott (Chair)
Professor J Craig
Mr A Gold

In Attendance: Ms A Lall (Interim Principal & Chief Executive)
Mr G Dixon (Vice Principal Finance and Resources)
Dr A Birkinshaw (Chair of the Governing Board)
Mrs J Tracy (Interim Director of Governance)
Ms Karen Rae (Director of Education - Armstrong Watson)
Ms J Butterfield (Director – Risk & Assurance - TiAA)

		ACTION
	INTRODUCTIONS	
M22/19	Rob Scott was attending his first meeting as a Board member and as Chair of Audit Committee. Mr Scott welcomed everyone and introductions were made by all present.	
	Item 1: APOLOGIES FOR ABSENCE	
M22/20	There were apologies for absence from Sam Hutt (Armstrong Watson).	
	Item 2: DECLARATIONS OF INTEREST	
M22/21	Professor John Craig made a declaration of interest from regarding his appointment as an Office for Students (OfS) Teaching and Excellence Framework (TEF) assessor.	
	MINUTES	
	Item 3a: MINUTES OF THE MEETINGS HELD ON 30 NOVEMBER 2022:	
	<ul style="list-style-type: none"> • AUDIT COMMITTEE It was noted that Anita Lall had attended the Audit Committee meeting on 30 November 2022. The minutes had been updated since the papers for this meeting had been uploaded to VBR. • JOINT AUDIT/FINANCE, RESOURCES AND INVESTMENT COMMITTEE Corrections to the names in M22/01 had been made since the papers for this meeting had been uploaded to VBR. 	
M22/22		
M22/23		
M22/24	With the corrections as noted above, the minutes of the meetings held on Audit Committee and Joint Audit Committee/Finance, Resources and Investment Committee both held on 30 November were approved as a true and correct record.	
	Item 3b: MATTERS ARISING FROM THE MINUTES OF 30 NOVEMBER 2022	
	<i>M21/38 – Separate teaching and professional services in recruitment risk as difference challenges for each</i>	
M22/25	The Interim Principal would take the lead going forward.	IP
	<i>M21/45 - Ask new Head of HR to attend future meeting</i>	
M22/26	The College would look into why this action had been included in the previous minutes; the action would be removed if no longer relevant.	VP FR
M22/27	The Chair commented that he would wish to consider whether to continue to use rag-rating in the future.	

	<p>Item 4: RISK MANAGEMENT</p> <p>Item 4a: RISK REGISTER AND ACTION PLAN</p>	
M22/28	The Interim Principal reported that the College's Risk Management Group had met prior to the Audit Committee meeting and thus there had been changes to the content. A full review of the Risk Register was taking place and input and advice from the Chair of the Committee would be appreciated.	
M22/29	A member of the Committee asked for clarification on some of the comments as, for example, it appeared that the risk had increased but the arrow showing direction of change did not support this. The Acting Principal explained that some changes were made by the Risk Management Group. It was agreed that the College would base its updates in its reports to the Audit Committee on the information which had previously been reported to Audit Committee.	IP
	<p>Item 5: REPORT ON MATTERS FROM THE BOARD</p>	
M22/30	There were no matters from the Board.	
	<p>Item 6a: INTERNAL AUDIT REPORTS</p> <p>Item 6a i: ASSURANCE REVIEW OF SAFEGUARDING</p>	
M22/31	Jane Butterfield presented the report which included the key findings and management action plan and management comments to these. Ten recommendations were made, of which 3 were 'important', 3 were 'routine' and 4 were 'operational'.	
M22/32	The Committee noted the key strategic findings and received an update from the Interim Director of Governance in that all but one Governor had now completed the mandatory training, this being follow up on a regular basis. Weekly reports were now being sent to the Interim Director of Governance.	
M22/33	The Chair of the Governing Board commented, and it was agreed , that the Interim Principal now needed to oversee the completion of the actions, particularly the overseas checks.	IP
M22/34	The Chair of the Governing Board also referred to the later report on safeguarding and requested that the Interim Principal draw together the actions from all the reports, plus those from the Internal Audit Report; these all being closed out as a matter of urgency.	IP
M22/35	The Interim Principal informed the Committee that all actions in the internal audit report had been completed, that staff training was not at 99% and that the central record and overseas checks had also been completed.	
M22/36	A detailed discussion took place setting out the Committee's view that Internal Audit needed to focus on the critical controls to manage the risk being audited, assessing whether they were all in place, and whether these were working rather than simply reporting whether there had been any issues in the area at the time of the review. It was further expected that the Internal Auditors suggest controls to address any identified control weaknesses. The focus of the Internal Auditors should have been to provide assurance to the Committee on the control environment: to inform the Committee on those areas which were not working and to provide information on what needed to be done; to inform the Committee where there wasn't a control, if this were the case. The Chair of the Committee asked, and it was agreed , that the Internal Auditors take this into account when writing future reports.	TiAA
	<p>Item 6a ii: PERFORMANCE MONITORING</p>	
M22/37	The report provided the College with 'substantial' assurance, with an explanation on how the grading had been evidenced being provided. One low priority recommendation had	

	been made, plus one 'operational' action point. These, and the management comments were noted.	
M22/38	In addition to the key strategic findings, two areas of good practice had been identified. The details of both were contained in the report.	
	Item 6aiii: ESTATES MANAGEMENT	
M22/39	The overall assessment was of 'reasonable assurance'; a number of key strategic findings were included in the report, and one area of good practice was identified. One medium and one low priority action points were recorded and the management comments against these were noted.	
M22/40	The Chair of the Committee referred to the discussions which had taken place in relation to Item 6ai on how the Internal Auditors undertake their work. The Internal Auditors would take this into account for future audits.	
M22/41	A member of the Committee also expressed their disappointment in the outcome of the audit which they felt did not provide assurance over all the controls to ensure all properties were monitored to ensure compliance with health and safety measures to the Committee/Board. The College was asked to review the controls in this area and consider ensuring that the relevant College policies were clear on the areas of responsibility of its third-party contractors and that the College obtained evidence that the necessary compliance checks had been done.	VP F&R
	Item 6aic: STUDENT VOICE	
M22/42	The overall assessment was of 'substantial assurance'. The key strategic findings and areas of good practice were noted. The two low priority recommendations had been accepted by College management and their comments to the recommendations were noted.	
M22/43	The Chair of the Committee commented that certain of the recommendations were not clear and therefore ensuring they were addressed would be a challenge for the Committee. It was therefore requested that the recommendations be both clear and much more specific both for this report and any other reports made going forward.	TiAA
M22/44	A member of the Committee was surprised at how clean the report was and asked whether the audit had looked deeply enough. The Internal Audit representative explained the scope of the audit and the work undertaken, this including the desk top review, consideration of data analytics and monitoring of feedback. The Interim Principal confirmed that the high response rate was correct but noted the areas of improvement which were still needed.	
M22/45	The Committee discussed the need for the Internal Auditors to look at efficiency as well as effectiveness. This would be taken into account in future reports.	TiAA
	Item 6av: PAYROLL (INC. PART TIME WORKERS AND AGENCY STAFF)	
M22/46	The overall assessment was of 'substantial assurance', with there being no recommendations/action points. The key strategic findings and good practice identified were noted by the Committee.	
M22/47	The Internal Audit representative informed the Committee that reports on risk mitigating controls, cyber security, health and safety, and follow up would be provided to the Committee at its meeting in June. The Annual Report and Plan for the coming year would also be provided.	
M22/48	Whilst noting the information already included in the Internal Audit Plan, the Chair requested, and it was agreed that a progress report be provided to future Committee	TiAA

	meetings. This would include: the number and timing of audits; those completed; information on management response time.	
	Item 6b: MANAGED SERVICE UPDATE	
M22/49	As requested at its meeting in March 2022, the report provided the Committee with and update on the progress and performance of the outsourced IT Managed Service.	
M22/50	The key points included what was covered by the Managed Service, the rationale and the College's view on its satisfaction on the service being provided. The actions which were being progressed were also included in the report.	
M22/51	The Committee noted the Managed Service Update report.	
M22/52	A member of the Committee commented on the number of educational institutions which had suffered cyber-attacks and noting the Internal Audit report on this area was due at the next meeting, requested that any actions identified in that report or more generally through the new monitoring regime be actioned promptly.	
	Item 7: UPDATE ON AUDIT RECOMMENDATIONS	
M22/53	The Committee noted the update on the recommendations for both external and internal audit which included the actions which had been taken or which were in progress.	
M22/54	The Chair of the Committee requested that the Vice Principal – Finance and Resources reviewed the actions which were over 6 months old in terms of their relevance. Those which were no longer relevant would be removed; fresh data would be obtained and reported for those which were still relevant, with the College managers being held to account for their completion. The Chair also required that the Internal Auditors and College meet the internal audit dates agreed in the Internal Audit Plan.	VP F&R TiAA/VP F&R
	Item 8: POLICY REVIEWS	
	Item 8aa: DATA PROTECTION/GDPR POLICY	
M22/55	Having considered the proposed changes as detailed in the report, and as per the Policies Approval Schedule, the Committee approved the Data Protection Policy.	
	Item 8ab: BUSINESS CONTINUITY POLICY	
M22/56	The Committee considered the Business Continuity Policy which outlined the College's approach to managing business continuity through business continuity plans and its connection to wider risk management within the College.	
M22/57	The Committee agreed to recommend the Business Continuity Policy to the Board for approval.	
	Item 8ac: RISK MANAGEMENT POLICY AND PROCEDURE	
M22/58	The report highlighted the proposed changes to the Risk Management Policy and Risk Management Procedure, it being noted that there were no material changes to either. The Risk Management Procedure had been updated to add clarity to the process by which the Risk Management Committee operated and communicated with the wider College and Committees.	
M22/59	No changes had been made to the fundamental methodology of recording risk and monitoring, nor to the College's risk appetite statement.	
M22/60	The Committee agreed to recommend the Risk Management Policy and Procedure to the Board for approval.	

M22/61	The Committee Chair requested, and it was agreed that, going forward, the policy and procedure should be separated out, with only the policy being presented to the Committee for review. It was noted that the Senior Management Team was already looking in this change.	College
	Item 9: EXTERNAL REVIEW OF GOVERNANCE	
M22/62	The Interim Director of Governance presented the report for information. The report contained information on the strengths and areas for development relating to Board composition, structure and interaction. An action plan had been drawn up and was included in the report. The Committee noted that the Board would consider the report at its next meeting.	
M22/62	It was agreed that progress reports in relation to the action plan would be monitored by Search and Governance Committee.	
	Item 10: EXTERNAL AUDIT REVIEW OF PERFORMANCE	
M22/63	The Vice Principal – Finance and Resources presented the report which provide an overview of the performance of the External Audit Service provided by Armstrong Watson in the 2021-2022 academic year.	
M22/64	The Vice Principal – Finance and Corporate Services commented that the College response times had not been as expected. A new Head of Finance had recently been appointed and it was expected that there would be a better College input/performance in the current year. The Armstrong Watson representative informed the Committee that the working relationship with the College was good and that the process for the 2022-23 year would begin in the next couple of weeks with the Audit Plan, etc. being brought to the June meeting.	
M22/65	Armstrong Watson would wish to speak with TiAA regarding co-ordination of the audit of payroll in order that this could be utilised in their work.	
	Item 11: ESFA LETTER – FINANCIAL STATEMENTS REVIEW 2021 TO 2022	
M22/66	The Committee was informed that the ESFA letter and the College’s response would be brought to the next meeting of the Audit Committee.	
	Item 12: REVIEW OF MEETING	
M22/67	The Committee reviewed the effectiveness of the meeting.	
M22/68	A member of the Committee commented that the Audit Committee needed to get the assurance from internal audit at the right time, that the College was following through on the actions/recommendations and was getting value for money from the internal audit activity.	
M22/69	There were no other areas for improvement identified.	
	Item 13: CONFIDENTIAL ITEM: PART 2: SAFEGUARDING REVIEW	
	ANY OTHER BUSINESS	
M22/79	Karen Rae provided an update from the College Auditors’ Forum in relation to the ONS review and the ongoing discussions with the treasury on the future timing of the year end, with the ESFA putting together an argument to keep the year end as at 31 July and not 31 March as was being proposed. It was noted that the year end would remain the same for this year and the next, but may then move to a March 2025 year end. The College would be advised as necessary.	
M22/80		VP F&R

M22/81	<p>The Vice Principal – Finance and Resources would prepare a paper for circulation before the next Audit Committee to inform the Committee of any developments.</p> <p>It was noted that this was the last meeting which Andrew Gold would attend. The Committee thanked him for his work and commitment to the College and wished him well for the future.</p>
M22/82	<p>Item 14: DATE OF NEXT MEETING</p> <p>Members noted that the next meeting of the Audit Committee was scheduled for 5.30pm on Thursday 15 June 2023, via Microsoft Teams.</p>
M22/83	<p>The meeting closed at 7.01pm.</p>