



Minutes of the Audit Committee Meeting held on Tuesday 11 June 2024 at 8.30am via Teams

- Present:** Mark Dawson (*Parent Governor*)
Susan Jarvis (*Co-opted Governor*)
Andrew Jones – Chair (*Co-opted Governor*)
Graeme Slater (*Foundation Governor*)
- In attendance:** Scott McCready (*WBG – Internal Auditor*)
Nicola Tucker (*Murray Smith LLP – External Auditor*)
Steve Turner (*Murray Smith LLP – External Auditor*)
Michelle Williams (*Vice Principal, Finance, Resources & Systems*)
Kevin Burke (*IT Manager*)
Ruth Potter (*Clerk*)

PART 1

The Chair welcomed all attendees and the meeting was opened in prayer at 8.30am

1. ROUTINE AND STANDING ITEMS

1.1 Declarations of interest

Members were invited to declare whether they had any direct or indirect personal, prejudicial or pecuniary interest or conflict of interest in any matter that formed part of the agenda for this meeting or was likely to be discussed at this meeting. There were no declarations made.

1.2 Apologies for absence

All members were present. The meeting was declared quorate.

1.3 Items to be included under any other business

There were no items submitted for inclusion under any other business.

1.4 Minutes of the Audit Committee meeting held on 12 March 2024 (*previously circulated*)

The minutes were approved as a correct record and would be signed by the Chair in accordance with Article 12 (3) of the Articles of Government. The publication of the minutes was authorised in accordance with Article 13.

1.5 Matters arising from the minutes (*previously circulated*)

Committee members noted the action log prepared by the Clerk.

2. RISK MANAGEMENT

2.1 Risk Management Action Plan (*previously circulated*)

The Vice Principal presented this report and reported that the College's senior leadership team (SLT) had reassessed the risks facing the College and updated the Risk Register accordingly. The updated plan was presented and one significant risk had been identified; Level 3 reform. This risk had been

upgraded from a contingent risk due to ongoing policy uncertainty and the ever-shortening timescale for potential implementation.

In addition, the previously assessed significant risk – progress against ILT strategy and tracking of student progress and applications – had been downgraded to a contingent risk due to positive progress made. Other contingent risks included:

- ILT strategy: software reporting development
- financial health
- new senior leadership team
- curriculum offer
- recruitment and retention of staff.

Progress with academisation – previously a contingent risk – had been downgraded to a housekeeping risk.

The Committee **noted** the updated Risk Register and the management actions put in place to mitigate risk.

2.2 **JISC Cyber Security Action Plan – update report** *(previously circulated)*

The IT Manager presented this report and updated governors on progress made against the action plan. It was noted that on the main action plan, the overall completion rate stood at 92%. On the Microsoft 365 action plan, 86% of actions had been completed. Detailed updates were provided on all outstanding actions.

It was reported that options for a follow up assessment of cyber security had been considered and JISC had been appointed to conduct this assurance exercise which would commence at the beginning of July. It had also been decided that a biennial programme of penetration testing would be a feature of the ongoing assurance framework in this key area.

Discussion ensued and governors' comments and questions were invited.

Q – Timescale for transition to Windows 11?

A – On the IT roadmap; know what is required but still considering options to facilitate most effective transition. Hardware implications and associated costs highlighted.

The Committee thanked the IT Manager for his comprehensive report and **noted** the contents.

ACTION – report back on JISC cyber security follow up assessment at next meeting

3. **INTERNAL AUDIT**

3.1 **College management update report on previous recommendations and action taken** *(previously circulated)*

The Vice Principal confirmed that the majority of outstanding recommendations made by the Internal Auditors had been completed since the last meeting. One recommendation arising from the Climate Change report (December 2023) had

not yet been actioned. The recommendation related to the inclusion of numerical targets in the College's sustainability plan in order to provide metrics by which progress could be clearly tracked. It was reported that these targets were in development and would be shared with the College's Sustainability Committee for feedback in advance of planned implementation for the new academic year.

The Committee **noted** the contents of the report.

3.2 **Student Recruitment Report** *(previously circulated)*

Scott McCready presented this report and outlined the purpose of the audit which was to review the arrangements in place surrounding student recruitment. The scope of the review was outlined and it was explained that the Internal Audit team responsible for this review had conducted discussions with relevant staff, reviewed relevant documentation and, where appropriate, undertaken sample testing.

A total of one low grade recommendation had been raised. In addition, a number of good practice points were highlighted within the report. The Internal Audit opinion stated that the Governing Body could take strong assurance that appropriate student recruitment arrangements were in place across College.

The Vice Principal confirmed that from the next academic year the College's admissions process would be transferred to the REMS portal (Resource Education Management System). It was anticipated that this would further improve the current processes.

The Committee:

- **noted** the contents of the report
- **approved** the recommendation contained therein.

3.3 **Student Bursary Fund and Free School Meals Report** *(previously circulated)*

Scott McCready presented this report and outlined the purpose of the audit which was to ensure that students eligible for free school meals and bursaries were in receipt of them. The review was also designed to provide assurance that the processes in place were robust and efficient, enabling those students in need of support to access it. The scope of the review was outlined and it was explained that the Internal Audit team responsible for this review had conducted discussions with relevant staff, reviewed documentation and, where appropriate, undertaken sample testing.

No recommendations were raised as a result of this review, however two observations were made for awareness. A number of good practice points had been highlighted within the report. The Internal Audit opinion stated that there was a strong level of assurance over the controls in place for bursary funding and free school meals.

With regard to the observation relating to cash payments, the Vice Principal explained the rationale for retaining some direct cash payments to students. She confirmed that there had been recent contact with the Education and Skills

Funding Agency (ESFA) regarding the College's bursary fund policy to ensure robust processes were in place.

The Chair thanked the Internal Auditor for his report and invited governor questions.

Q – What other types of payment were made to students aside from cash?

A – Allocate bus passes where appropriate. Direct cash payments gave autonomy to students and promoted independence.

The Committee **noted** the contents of the report.

3.4 **Annual Follow Up Report** *(previously circulated)*

Scott McCready presented this report and explained that the Internal Audit follow up work was designed to provide the Audit Committee with assurance that the previous year's internal audit recommendations had been implemented in line with expected timescales. He went on to report that 10 of the 11 recommendations from 2022-23 had been fully implemented. One recommendation arising from the Strategic Planning report (May 2022) had been superseded with the approval of the Audit Committee.

The Internal Audit opinion stated that the Governing Body could take strong assurance that the College had made appropriate efforts to implement previous recommendations.

The Committee **noted** the contents of the report.

3.5 **Internal Audit Annual Report** *(previously circulated)*

The Committee considered the Internal Audit 2023-24 Annual Report which provided a summary of the work undertaken by the Internal Auditor over the year. Scott McCready highlighted the following points:

- The Internal Audit opinion was that the College had adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives.
- The Internal Audit opinion was that the College had proper arrangements to promote and secure value for money.
- When benchmarked against similar colleges the number of recommendations was lower than average.
- 20 days audit work had been completed as planned with fieldwork taking place between December 2023 and May 2024.

The Committee thanked the Internal Auditor and **noted** the contents of his report.

3.6 **Internal Audit Plan 2024-25** *(previously circulated)*

The Committee considered the Internal Audit Plan 2024-25 prepared by the Internal Auditor. Scott McCready highlighted the following points:

- Internal auditors had been appointed by the College for a period of five years, up to 31 July 2024. A one-year extension to this contract for the year ending 31 July 2025 had been approved by the full Governing Body at its meeting on 26 March 2024.

- Original Audit Needs Assessment (ANA) had been approved by the Committee in October 2019 on the basis that it would be reviewed each year for suitability.
- Meetings had taken place recently with the Vice Principal and Clerk to Governors in order to discuss proposed areas for inclusion within the audit plan.
- The proposed audit plan for 2024-25 included the following areas:
 - budgetary and financial reporting
 - equality, diversity and inclusion
 - funding review
 - staff recruitment and retention
 - follow up review.
- Two visits were planned for December 2024 (reporting to Audit Committee in March 2025) and three for March 2025 (reporting to Audit Committee in June 2025).

The Clerk confirmed that in identifying the areas for internal audit, consideration was given to the College's risk register as well as the Sixth Form College Association (SFCA) sector risk register (shared at the previous Committee meeting).

Following discussion, the Committee **recommended approval** of the Internal Audit Plan 2024-25 to the Full Governing Body.

ACTION – FGB agenda item – Internal Audit Plan 2024-25

4. EXTERNAL AUDIT

4.1 Audit Strategy Memorandum for the year ended 31 July 2024 (previously circulated)

The Committee considered the document prepared by Murray Smith LLP that had been previously circulated. The audit would encompass:

- audit report on financial statements
- audit report on regularity audit
- audit completion and management letter document reporting on the main findings from the audit
- audit report on Teachers' Pension Agency return.

Nicola Tucker highlighted the following points:

- audit fees for the year ending 31 July 2024
- College was in a good financial position based on figures for the first nine months of the year
- audit risk areas, both mandatory risks and education sector specific risks
- overall audit risk assessed as low
- audit timeline culminating in report back to governors in November 2024.

Reference was made to a recent ESFA auditor forum at which it was shared that the Institute of Chartered Accountants in England and Wales (ICAEW) was due to release a guidance note on the treatment of the Local Government Pension Scheme (LGPS). Nicola Tucker confirmed this document would be considered in full once available.

The Committee thanked the External Auditor for her report and **noted** the contents of the Audit Strategy Memorandum for the year ending 31 July 2024.

4.2 **Sector update** (*verbal report*)

Nicola Tucker presented a sector update to governors, highlighting the following areas:

- Post-16 Audit Code of Practice – minimal changes to the 2023-24 document
- LGPS guidance note anticipated from the ICAEW
- ESFA College Financial Handbook – incorporating requirements set out in the bitesize guides post-reclassification
- Novel, contentious and repercussive transactions – prior approval from the Department for Education (DfE) required for all such transactions, particular reference made to requirements around severance payments for staff.

Scott McCready reported back to governors on the main issues and trends emerging from ESFA funding audits:

- planned hours and learning agreements not matching what was recorded in the individualised learner record (ILR)
- aims recorded in the ILR with no evidence of learning activity taking place
- planned hours not correctly reduced where learners had been withdrawn, transferred or completed within the first 42 days of the programme.

Scott McCready updated governors on his audit firm's recent group consolidation and re-branding exercise and confirmed that Wylie Bisset LLP was now known by its trading name, Wbg.

The Chair thanked the External and Internal Auditors for their update.

5. **ANNUAL REPORTS**

5.1 **Fraud and corruption – annual review of incidents** (*previously circulated*)

The Vice Principal highlighted the relevant College policies and confirmed that no incidents had been reported during the year.

The Committee **noted** the annual review.

5.2 **Whistleblowing – annual review of incidents** (*previously circulated*)

The Vice Principal referred governors to the College's Whistleblowing Policy and confirmed that no issues falling within the remit of this policy had been reported to the SLT or Clerk during the year.

The Committee **noted** the annual review.

5.3 **Freedom of information and data protection – annual review of incidents** (*previously circulated*)

The Vice Principal referred governors to her report and confirmed that between 1 August 2023 and 11 June 2024, the College had responded to the following requests:

- 9 data sharing requests
- 1 freedom of information request
- 3 subject access requests.

The Committee **noted** the annual review.

6. POLICIES

6.1 **Data Protection Policy** (*previously circulated*)

6.2 **Freedom of Information Policy** (*previously circulated*)

6.3 **Records Management Policy** (*previously circulated*)

The Vice Principal confirmed that since taking over as the College's data protection officer she had completed a comprehensive review of all related policies. As a result, a completely updated Data Protection Policy and Freedom of Information Policy were presented to governors for consideration. In addition, a new Records Management Policy was proposed to supplement the College's existing policy framework. The Vice Principal confirmed that data protection training was planned for governors prior to the full Governing Body meeting scheduled for 8 July 2024. Staff training was scheduled at the start of the new academic year.

The Committee **recommended approval** to the full Governing Body of all three policies.

ACTION – FGB agenda item – Data Protection Policy, FOI Policy, Records Management Policy

7. REGULATORY UPDATE

7.1 **ESFA College Financial Handbook** (*previously circulated*)

The Vice Principal referred governors to the College Financial Handbook which had been circulated to all members of the Governing Body following its publication on 20 March 2024. The Handbook built upon the guidance set out in the bitesize guides and confirmed the core financial management requirements of HM Treasury's Managing Public Money. The College was required to comply with the Handbook from 1 August 2024 as a condition of its Accountability Agreement.

The Vice Principal highlighted a number of key points and drew governors' attention to the areas that required prior DfE approval, particularly any novel, contentious or repercussive transactions. Reference was made to the summary table of freedoms and delegations set out at section 5.43 of the Handbook. Discussion ensued on the rules surrounding special payments and the potential implications for the College.

The Chair thanked the Vice Principal for her report and the Committee **noted** the College Financial Handbook.

7.2 **ESFA Post-16 Audit Code of Practice 2023-24** (*previously circulated*)

The Vice Principal referred governors to the ESFA's updated document 'Post-16 Audit Code of Practice 2023 to 2024' which had been previously circulated. The Code set out the overarching assurance and accountability requirements for post-16 providers as well as specific responsibilities for sixth-form college corporations and their external auditors/reporting accountants.

The Vice Principal referred to her covering report which provided an overview of the changes and confirmed that the College would comply with all requirements set out in the updated document.

The Committee **noted** the Post-16 Audit Code of Practice 2023-24.

7.3 ESFA College Accounts Direction 2023-24 *(previously circulated)*

The Vice Principal referred governors to the ESFA's updated document 'College Accounts Direction 2023 to 2024' which had been previously circulated. This document set out the ESFA's financial reporting requirements for sixth-form college corporations for the financial year ending 31 July 2024.

The Vice Principal referred to her covering report which provided an overview of the changes and confirmed that the College would comply with all requirements set out in the updated document.

The Committee **noted** the requirements set out in the College Accounts Direction.

8. OTHER MATTERS

8.1 Future agenda items

No specific items were highlighted for inclusion in future agendas.

8.2 Governor training

Members were invited to update the Clerk on any training activities they had completed since the last meeting. No activities were reported.

Governors were asked to submit suggestions to the Clerk for any specific areas of refresher training prior to the next Committee meeting.

ACTION – Governors to submit any training suggestions to the Clerk

8.3 Any other business

None

8.4 Date of next meeting

Tuesday 24 September 2024 at 8.20am

The Chair thanked all members for their attendance and contribution.

The meeting was brought to a close at 9.20am.

Signed by the Chair: _____


On this day: _____ 24 September 2024 _____