

Audit Committee

Wed 22 May 2024, 17:00 - 18:30

MS Teams



Attendees

Present: Kath Causey (Independent Governor and Chair), Susan Snape (Independent Governor), Hayley Mercer (Independent Governor), Caroline Elwood (Independent Governor), Jo Toner (Co-Opted Governor), Sarah Smith (Co-Opted Governor)

In attendance: Joanne Platt (Director of Governance), Steve Scott (Finance Director), Louise Brown (VP Corporate Services), Dave Harrison (VP Data and Funding), Jane Butterfield (TIAA), Scott Gillon (Wylie & Bisset)

The Director of Governance confirmed that the meeting was quorate.

Meeting minutes

1. CONSULTATION WITH AUDITORS

AC-24-05-01

The Committee had a private discussion with the Internal Auditor.

Louise Brown, Steve Scott and Dave Harrison joined the meeting at 5.08pm.

2. Apologies for absence

AC-24-05-02

There were no apologies for absence.

3. Declarations of Interests

AC-24-05-03

Jane Butterfield declared an interest in Item 12 and left the meeting for that item. There were no other declarations of interests.

4. Minutes of the previous meeting and matters arising

AC-24-05-04

The Committee reviewed the minutes of the meeting held on 14 February 2024 and agreed that they are an accurate record of the meeting. There are no actions outstanding.

Resolved: The Committee approved the minutes of the meeting held on 14 February 2024 for signature by the Chair.

5. Internal Audit Reports

Platt, Joanne
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The Committee considered a report on Cyber Security, noting that the Internal Auditor has given a 'reasonable' assurance rating, with three important recommendations, three routine recommendations and one operational recommendation.

Hayley Mercer joined the meeting at 5.12pm.

In response to questions from Governors, it was confirmed that there are a total number of 10,000 college user accounts and that the IT team is currently reviewing accounts that have been inactive for more than six-months, with a view to deactivating them. However, it was noted that there will always be a limited number of inactive accounts, such as generic accounts that are set up specifically for use by students and exam invigilators used during exams.

Governors asked what arrangements are in place for alerting the IT Team about dormant accounts and it was confirmed that a number of routine alerts are already set up for this purpose, for example when HR accounts are deleted when a member of staff leaves, this automatically generates an alert to the IT Team. Governors were assured from the responses from management, that the issue in relation to user accounts was being managed effectively.

Governors also questioned why the response time for some actions wasn't until January 2025 and it was confirmed that this is due to the scale of the work required, including appropriate testing. However, it was noted that the recommendation referred to did not pose a risk and was a procedural issue relating to the updating of documentation. It was also noted that the Audit Tracker which is reported to the Committee at each of its meetings will provide an update on progress towards the completion of tasks that are not due for completion for a few months.

Governors asked if it was possible to complete the action sooner by assigning the work to an individual to do as a project but it was noted that this wasn't possible, as the task needs the input of key members of the IT Team.

The Vice Principal Data and Funding advised the Committee that the audit had been a useful exercise to support the College with its work towards ISO 27002.

The Committee noted the report.

5.2. Capacity Planning

The Committee considered a report on the College's approach to Capacity Planning, noting that the Internal Auditor has given a 'substantial' assurance rating, with no recommendations.

The Auditor had noted that the College's Estates Strategy aligns closely with the College's plans and that the plans are on track to be delivered on time.

Governors gave credit to the Executive Team for acting quickly to address capacity issues that have arisen due to significant growth and in a way that doesn't jeopardise the College when growth slows down due to predicted demographic changes in the future.

The Committee noted the report.

Plett Joanne
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5.3. Creditors Payments and Procurement

AC-24-05-07

The Committee considered a report on Creditor Payments and Procurement, noting that the Internal Auditor has given a 'reasonable' assurance rating, with two important recommendations and six routine recommendations.

In response to a question from a Governor, it was confirmed that the College is trying to rationalise the number of petty cash accounts and credit cards it holds and uses, whilst acknowledging that there are some areas of the business, where cash is necessary, such as for reimbursing students who often don't have bank accounts, for expenses.

Governors discussed the Contracts Register, noting that this needs to be reviewed and updated in line with the new financial system. However it was noted that this is a significant task and is therefore not scheduled to be completed until December 2024. An update on progress will nevertheless be included in the Audit Tracker report to the Committee in November.

In response to a question from a Governor in relation to purchase orders, it was noted that there will always be a small number of invoices where the purchase order is not issued prior to work being done, most of which relate to reactive emergency works. However, generally the College is compliant with the need to issue purchase orders.

The Committee noted the report.

5.4. Safeguarding

AC-24-05-08

The Committee considered a report on Safeguarding, noting that the Internal Auditor has given a 'substantial' assurance rating, with no recommendations. It was noted that safeguarding arrangements at the College are good, there is effective routine reporting and sampling did not identify any issues.

Governors took assurance from the report and thanked all concerned for ensuring that the College's safeguarding arrangements are strong and effective.

The Committee noted the report.

5.5. Internal Audit Plan 2024-25

AC-24-05-09

The Committee reviewed the Internal Audit Plan for 2024-25, which had been aligned to the College's Risk Register. It was noted that the plan had been discussed with the Finance Director and had also been reviewed by the Executive Team.

There are six key areas to be audited in 2024-25, plus the 'follow up' audit, which looks at how far recommendations made have been implemented by the College. The Plan also includes a three-year rolling plan, which provided the Committee with the opportunity to bring things forward if deemed necessary.

It was noted that the timing of the audits had been reviewed this year, with two audits per term, which will enable the Committee to manage its work more effectively over the course of the year.

Resolved: The Committee agreed to recommend approval of the Internal Audit Plan for 2024-25 to the Governing Board.

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6. Audit Implementation Tracker

AC-24-05-10

The Committee reviewed the Audit Tracker, noting that there was just one recommendation included, which has been completed.

It was noted that the Tracker would be updated to include the actions from the internal audit reports discussed under Items 5.1-5.4 above and that updates on actions not due until later in the year would be included in this, to assure the Committee that actions are on track.

The Committee noted the report.

7. Risk Management Update

AC-24-05-11

The Committee reviewed the Risk Register, which has been updated to reflect the current year's strategic outlook with an update on the current assessment of the impact and likelihood of each risk crystallising.

It was noted that risk is at its highest at the start of the academic year and is usually reduced over the course of the year. One new risk had been added in November 2023 (positioned at number 1 on the Risk Register). This relates to the College's resilience, business continuity and its ability to meet borough need which could be negatively affected by rapid growth in activity across most / all funding streams

Since the date of the last report, the risk score on four of the 17 risks has been reduced (Risks 10,11,12, and 14), the risk score of 13 of the 17 risks remains the same (Risks 1, 2, 3, 4, 5, 6, 7, 8, 9, 13, 15, 16, and 17) and no risk scores have increased.

Risk will continue to be assessed throughout the year and the Committee noted that whilst risk is managed proactively in the College, many other factors such as government policy decisions, inflation, global conflicts or pandemics, that can't be predicted with accuracy, may impact throughout the year.

The Committee noted the report.

8. 2024-25 Risk Register

AC-24-05-12

The Committee reviewed the Risk Register for 2024-25, noting that this has been updated to reflect the new Strategic Plan. It was noted that mitigating actions have yet to be added to the new Risk Register, but that the new Risk Register will reflect the starting position for the 2024-25 academic year.

The Committee agreed that the way the Risk Register is presented is helpful and easy to understand, and that this is appreciated by Governors.

Governors discussed the uncertainty in relation to education and HR policies that may affect the College in the event that there is a change of Government in the impending General Election, noting that this will be reviewed in due course, when the outcome of the the election is known.

Resolved: The Committee agreed to recommend the 2024-25 Risk Register to the Governing Board for approval.

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9. Risk Management Policy 2024-26 including Risk Appetite Statement

AC-24-05-13

The Committee reviewed the College's Risk Management Policy, which had last been reviewed by the Committee in 2022. It was noted that the policy content is still appropriate and no material changes have therefore been made.

The Policy includes a statement on the Governing Board's Risk Appetite, in whole and in relation to specific issues and the Committee reviewed this and agreed to recommend the Risk Appetite Statement to the Governing Board for approval.

Resolved: The Committee agreed to recommend the Risk Management Policy and Risk Appetite Statement for 2024-26 to the Governing Board for approval.

Scott Gillon joined the meeting at 6.00pm.

10. GMCA Compliance and Standards Report

AC-24-05-14

The Committee reviewed the GMCA Compliance and Standards Report, noting that this is the first report of its kind to be reported to the Committee.

The Committee was pleased to note that the College had been given the highest level of assurance possible (Green) and was deemed to be fully compliant with all areas reviewed. The report included three low level recommendations, all of which have been actioned or resolved. A 'Green' rating means that the College will only be visited once per year by the GMCA.

The Committee was pleased to see another positive report providing assurance to Governors and asked that reference to the report be included in the Committee Chair's report to the Governing Board.

The Committee noted the report.

11. Financial Statements Audit Planning Memorandum

AC-24-05-15

The Committee reviewed the Financial Statements Auditors Audit Planning Memorandum for the 2023-24 accounts, noting that the timing was broadly consistent with previous years.

The Committee noted that the two areas identified as 'High' risk, were categorised as such for all colleges in the audit regulations and that there are no specific issues at the College that has resulted in that risk rating.

Resolved: The Committee agreed to recommend the Financial Statements Audit Plan to the Governing Board for approval.

The Chair noted that Jane Butterfield was moving to another role within TIAA and would not therefore be attending future meetings of the Committee. The Committee thanked her for her contributions to the Committee and wished her well in her new role.

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12. Review performance of Internal Auditors

AC-24-05-16

The Committee considered a report on the performance of the Internal Auditors, noting that there has not been a similar review in relation to the performance of the External Auditors this year, as this had been done during the procurement process, when they were re-appointed by the Governing Board in March 2024.

The Committee noted that the Internal Auditors had achieved all KPI targets in the contract and agreed that there is no reason to propose a change of auditors to the Governing Board.

Resolved: The Committee agreed to confirm the performance of the Internal Auditors to the Governing Board.

13. Items for inclusion in the Committee Chair's report to the Governing Board

AC-24-05-17

The Committee agreed the items to be included in the Committee Chair's report to the Governing Board.

14. Any other business

AC-24-05-18

There were no items of other business.

The Chair thanked everyone for their contributions and thanked members of staff present at the meeting for the high quality of their reports.

15. Date of next meeting: TBC

AC-24-05-19

The meeting ended at 6.20pm.

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