

# Audit Committee

Wed 24 May 2023, 17:00 - 18:30

MS Teams



## Attendees

**Present:** Kath Causey (Independent Governor and Chair), Susan Snape (Independent Governor), Hayley Mercer (Independent 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-23-05-01

In accordance with the Committee's Terms of Reference, the Committee had a private discussion with the auditors.

It was confirmed that the new internal auditors had settled in well. Both auditors confirmed that engagement with management and staff and access to documents is good and that audit plans are on schedule.

There are no concerns and the Committee was assured.

Steven Scott, Louise Brown and Dave Harrison joined the meeting at 5.05pm.

### 2. Apologies for absence

AC-23-05-02

There were no apologies for absence.

### 3. Declarations of Interests

AC-23-05-03

Jane Butterfield and Scott Gillon declared an interest in Item 9 and left the meeting for that item.

### 4. Minutes of the previous meeting and matters arising

AC-23-05-04

The Committee reviewed the minutes of the meeting held on 15 February 2023 and agreed they were an accurate record of the meeting.

In relation to the action for Minute No. AC-23-02-04, it was confirmed that candidates for the vacant Co-Opted Governor role had now been identified and that interviews would take place on 13 June.

In relation to the action for Minute No. AC-23-02-06, Jane Butterfield provided examples of good practice identified in the ILT Strategy Audit to the Committee.

In relation to the action for Minute No. AC-23-02-09 (HTQ Project recruitment target), the Finance Director confirmed that the College had recruited eight students (62% of the target). Overall, 65 students out of a target of 125 had been recruited by all colleges in the Project, which is an average of 52% of target, so the College's recruitment exceeded the average recruitment figures for the whole project.

**Resolved:** The Committee approved the minutes of the meeting held on 15 February 2023 and noted the information arising from the actions.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
C3E4627FC7644E36A251690CF9028AFD

## 5. Internal Audit Reports

### 5.1. HR Training and Development and Succession Planning

AC-23-05-05

The Committee considered the Internal Audit report in relation to HR, Training and Development and Succession Planning, noting that the auditors had given a Substantial Assurance rating and had confirmed that the areas of the control environment tested during the audit are designed and operating effectively with no significant weaknesses. It was noted that there are no recommendations arising from the Audit work carried out.

The report found that the process for Learning and Development and Succession Planning for all employees at the College is directed by the Learning and Development Policy and associated policies and procedures. Continuous Professional Development (CPD) is currently monitored through the newly developed CPD system that tracks completion of CPD related activities. This is monitored regularly by the Learning and Development Team. Staff development activities including performance against KPIs are evaluated and reported regularly to the Executive Team and Governors.

Good practice identified included a new system for recording staff development to ensure staff can record and track their staff development and that this can be reported on.

In response to a question from a Governor in relation to succession planning, it was confirmed that the College's future leaders' programmes are designed to identify the future generation of leaders with a focus on executive leadership roles. In addition, Assistant Principal and Heads of Department roles in the College department structures are designed to provide future leaders with the experience they need to progress within the College and people in these posts attend the College's Strategic Away Days to further develop their experience.

The Committee thanked the auditors for a succinct report which gives the Committee assurance. The Chair also thanked management and staff for their hard work and commitment.

The Committee noted the report

### 5.2. Progress against the Internal Audit Plan - verbal update

AC-23-05-06

The Internal Auditor gave an update to the Committee on progress in delivering the Internal Audit Plan for 2022-23. It was noted that everything is on track for completion by the end of June, and the follow up work specifically requested by the Committee at its meeting in November 2022 had also been completed (and is reported under Item 5.3 below).

The Committee noted that the outcome of audits that are currently underway or that will be carried out during the remainder of the summer term, will be reported to the next meeting of the Committee in November.

The Committee noted the update.

### 5.3. Internal Audit Follow Up of Previous Recommendations

AC-23-05-07

The Committee considered a report considering the progress made in implementing the recommendations made in previous internal audit reports, and which sought to establish the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.

The review looked at the findings of seven audits carried out, namely the Sub-Contracting Certificate 2021-22, IT Data Security, Infrastructure and Disaster Recovery 2021-22, ESFA Mock Funding Audit 2021-22, Additional Learning Support and High Needs Funding 2021-22, Post Implementation Review of Finance System 2021-22, Risk Management 2021-22 and Financial Planning and Budgetary Control, which together included 13 recommendations.

The Committee noted that all 13 recommendations had been fully implemented and were supported by evidence.

The Committee thanked the Internal Auditor for her report and the additional assurance it gave to the Committee.

The Committee noted the report.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
C3E4627FC7644E36A251690CF9028AFD

## 6. Audit Implementation Tracker

AC-23-05-08

The Committee reviewed the Audit Implementation Tracker, which reports on progress of previous recommendations made by the College's auditors, noting that all recommendations had been actioned as confirmed by the Internal Auditor under Item 5 above..

The Committee noted the report.

## 7. Termly Risk Management Report

AC-23-05-09

The Committee reviewed the termly risk register, noting that this had been reviewed and updated by the Executive Team to reflect the current year's strategic outlook.

It was noted that since the last report, there were no increased risk scores. The risk factor for five of the 16 classifications (Risks three, four, five, six and 11) have decreased and it was noted that the risk scores for 10 of the 16 classifications had already been reduced at the time of the last meeting of the Committee (Risks one, two, three, five, six, seven, nine, 11, 13 and 15).

Risk scores have remained consistent for all other classifications.

In response to a question from a Governor, it was confirmed that Risk eight (inability to recruit and professionally develop suitably experienced and qualified staff) was an issue in every business and in particular the FE sector and that this is reviewed in detail by the Resources Committee each term as part of its review of the HR KPI dashboard (a copy of which is also made available to the Governing Board). The KPI dashboard provides up to date recruitment data including attrition rates, comparator data and the activities taking pace to address this. Although challenging, the College is in a better position than other colleges. It was noted that the biggest challenge is competing with higher salaries offered in industry and the College has been creative in the way that it deploys its staff to free up its specialists for where they are needed.

The Chair thanked the VP Corporate Services for the efforts of her and her teams in addressing this challenging issue.

In response to a question from a Governor in relation to Risk six (failure to realise income targets), it was confirmed that shortfalls in income in some areas have been more than covered by additional income in other curriculum areas.

The Chair thanked the Finance Director for a very clear report, which presented the information well and was easy to understand.

The Committee noted the report.

## 8. Financial Statements Audit Planning Memorandum

AC-23-05-10

The Committee considered the Financial Statements Audit Planning Memorandum for the current year, noting that the process and timescales were broadly in line with the previous year, with audit work starting in October, and the outcome being reported to the Audit Committee at its meeting in November and to the Governing Board at its meeting in December.

In response to questions from Governors in relation to the risk areas identified in the report, it was confirmed that these are risks that are common across the sector and are not specific to the College.

Overall, the Auditors have no areas of particular concern and are anticipating that the audit work will go smoothly, as in previous years.

The Committee thanked Scott Gillon for his report.

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

Jane Butterfield and Scott Gillon left the meeting at 5.45pm.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
C3E4627FC7644E36A251690CF9028AFD

## 9. Review performance of Internal and External Auditors and confirmation of re-appointment of the External Auditors

AC-23-05-11

The Committee considered a report on the performance of the College's Internal Auditors and External Auditors, noting that all KPIs had been met and that the performance of both was good with no concerns.

The Committee noted that the External Audit contract is due for renewal in 2023-24 and that there was a shortage in the sector of firms with relevant experience, with many existing firms withdrawing from the market for this type of work.

The Committee noted that a timeline for the procurement of new Financial Statements Auditors would be brought to the next meeting of the Committee in November. In the meantime, it was agreed to draw this concern to the attention of the Governing Board in the Committee Chair's report.

**Resolved:** The Committee agreed to recommend the re-appointment of the External Auditors for a further year to the Governing Board.

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

AC-23-05-12

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

## 11. Any other business

AC-23-05-13

There were no items of other business.

The Chair thanked the VP Data and Funding for the work that he and his team had done to action the recommendations from the Data and Cyber Security Audit, in a timely manner.

## 12. Date of next meeting: TBC

AC-23-05-14

The meeting ended at 5.56pm.



This file is sealed with a digital signature.  
The seal is a guarantee for the authenticity  
of the document.

Document ID:  
C3E4627FC7644E36A251690CF9028AFD