

## Minutes of: Audit Committee

**Date:** 15<sup>th</sup> April    **Location:** College Road Campus, A10

Present	In attendance
Jennette Arnold (Committee Chair) Kay Sandford-Beal (Co-opted Member) Judy Balderson	Sue Lloyd (Manager HCA People) - <i>left meeting at 2.15pm</i> Tim Williams (Finance Director) Jane Simons (College Accountant) Helen Cargill (TIAA) Abigail Appleton (Principal & CE) Rebecca Semple (Clerk to Governors)
<b>Quoracy:</b> Meeting was quorate	

1. **Apologies for Absence** - Jon Marchant (Mazars)
2. **Declarations of interest** - none
4. **Minutes of the last meeting**
  - a. **Approval of minutes of meeting held 4<sup>th</sup> December 2023** – minutes approved as a true record
  - b. **Matters arising** - none
5. **Internal Audit Reports**
  - a. **Staff Wellbeing** – the TIAA representative presented this report, highlighting the significant findings and recommendations made.

An assessment of 'Reasonable Assurance' was given, which was noted as a positive outcome with no significant concerns raised by TIAA. No Priority 1 recommendations were made. Two Priority 2 recommendations were made: a stress risk assessment; formal incorporation of measures to support vulnerable staff members in policy and procedure. One Priority 3 recommendation was the inclusion of a timeframe for the Staff Wellbeing Strategy action plan. It was also suggested that pulse surveys around wellbeing could be used to complement the Annual Staff Survey.

A discussion was held around the above recommendations, and the role of the Staff Handbook. The Manager of HCA People confirmed that the updated Sickness Policy would be presented to F&GP Committee for approval next week, and that a timeframe for implementing the Staff Wellbeing Strategy action plan was now in place. A Committee Member requested copy of the Staff Handbook. A Committee Member noted that the audit did not directly assess the impact of the processes in place. TIAA confirmed that this was correct, and that the report examined what is being done and how college themselves are evaluating impact and meeting their own objectives.

A Committee Member commented that an HCA People representative was not present (alongside Finance Director) at discussion of final report. It was confirmed that an HR representative was in fact present, and TIAA agreed to amend the report accordingly.

**Action:** Manager HCA People to share Staff Handbook with Committee Member

**b. Progress report and sector briefings (SICA)** - the TIAA representative presented this report.

It was reported that the Staff Wellbeing audit is the only completed report to date, but that no concerns have been raised as part of this audit, or in any other area since the beginning of the audit cycle. The Student Recruitment report has been issued in draft format, and the team are currently working on Cash and Banking. A Follow-up audit on last year's recommendations is scheduled to begin next week. The Student Wellbeing audit (May 2024) will complete the 2023/24 audit cycle, and an Annual Report will then be presented at the June 2024 Audit Committee meeting.

Cyber-Security and new guidance within Procurement Act 2023 (particularly considering social value /sustainability within tenders) were both highlighted as key current sector issues to note. A Committee Member noted that we do not currently have a Procurement Policy (which is recommended within College Financial Handbook 2024). The Committee agreed that the college should work towards having one in place, but agreed, following TIAA advice, that this should be functional and simple in nature. A general conversation was also held around the increase of fraud noted within the sector, and the new controls that are now used to pick this up.

**Action:** Finance Director to create Procurement Policy

**6. Recommendation Tracking Report** – The Finance Director presented this report, which was noted by the Committee.

The Committee noted a number of delays to completion of audit recommendations, but also acknowledged that these may in some cases be due to agreed revised dates being in place. The Estates Strategy was an example of this: the Principal confirmed that the delay has been agreed by Board until the College Strategy is complete (May 2024), and that Mazars were aware and in agreement with this rationale. The Committee agreed that any formally-agreed revised end date/phased approach should be documented within the Tracking Report for increased clarity. A Committee Member queried whether operational items are required as part of this dashboard. TIAA advised removal of operational or 'suggested' recommendations from the Tracker, to increase effectiveness of interpretation and monitoring of the required ones.

**Action:** Finance Director to update all 31/3/24 completion items with a 'reason/rationale for delay' and revised end date, and remove operational/suggested items.

**7. Risk Management - Risk Register and Report** (for discussion) - Finance Director presented this report, updating the Committee on work to improve the format, as well as the current risks of significance.

- **Report format development update:** the Finance Director outlined the current work underway to review and update format of the Risk Register. The Committee were asked to comment on example risk registers being considered as part of this work, and advised that currently the GFE format is currently most likely to be used. TIAA confirmed this as a standard and good practice format, but suggested that a target risk score also to be included to indicate the Board's risk appetite. The Finance Director confirmed that risks are likely to be presented in new Risk Register format to Board in July 2024, and also

commented that the Risk Management Policy will also be updated as part of this development work.

- **Items of significant risk:**

- i. College Road lease: the Finance Director confirmed that a meeting with HC is expected within the next month to progress this. The effect of the delay to this lease review and the potential effect of electoral purdah (not likely until 2025/26) were discussed by the Committee
- ii. HE student recruitment: A Committee Member asked about the reason for delay in accepting of offers made. The Principal confirmed a recognised local and national change in HE applicant behaviour, which include taking longer to respond, and a higher level of late pre-interview withdrawal. The Committee were updated on how the college are responding to this change in various ways, both operationally and strategically.
- iii. Validating Partner fees – Principal and Finance Director agreed that this item was now becoming a higher priority in terms of timescale, and outlined the plans to progress it.

**8. Post-16 audit code of Practice 2023-24 (DfE)** – The Committee noted the 2024 updates to this document. A Committee Member commented on the requirement of an anti-fraud strategy, and the Committee noted that an equivalent document (Money laundering/prevention of fraud/ prevention of bribery policy) is in place. TIAA commented that a fraud risk register is used in some organisations but is not a requirement, and that having a strategy/policy in place is sufficient.

**9. College Financial Handbook 2024** - The Committee noted this DfE document, and discussed some of the inclusions and their potential impact on the college.

A Committee Member noted a requirement to check Governors and Senior Postholders for bankruptcy and other financial risk screening as per Charities Commission regulations. The Clerk advised that this should already be covered as part of the Governors' annual eligibility survey.

**Action: Clerk to check Annual Eligibility Survey**

A Committee Member noted that the Whistleblowing Policy is located within the Staff Handbook and on Staffnet. TIAA advised that a yearly update is recommended. The Principal agreed to ensure included in staff updates/training.

**Action: Principal/HR**

**10. Any other business**

- a. A Committee Member asked about the allocation of TIAA days. TIAA and Finance Director confirmed all allocated days have been/will be used.

**11. Confidential Meeting (without Auditors)** The TIAA representative left for this section of the meeting – *see separate minutes*

**12. Date of next meeting:** Monday 10<sup>th</sup> June at 1.30pm

Minutes approved: ..... Date: .....