

AUDIT COMMITTEE

Minutes of the meeting held on Monday 2 December 2024 at 4.00pm in M6

Present:	Lucille Knapp	Governor	Chair
	Craig Ablett	Governor	Vice-Chair
	Andy MacCaig	Governor	
	Becky Bradshaw	Governor	
	Helen King	Co-opted Governor	
	Aaron Keers	Co-opted Governor	(Teams)
In attendance:	Alicia Bruce	COO	
	Sarah Bunney	Finance Director	
	Neil Clark	Internal Auditor – Wylie & Bisset	(Teams)
	Sue Hutchinson	External Auditor - Beever & Struthers	
	Sana Mumtaz	External Auditor - Beever & Struthers	
	Catherine Duro	Head of Governance (Clerk)	

SECTION A.1 – ROUTINE AND STANDING ITEMS:

Apologies for absence

1. Apologies were received from Graham Gillespie from Wylie Bisset.

Declarations of interest

2. There were no declarations of interest.

Minutes of the last meeting

3. The minutes of the meeting held on **Monday 18 June 2024** had been circulated previously and were **approved** as a true and accurate record.

Matters Arising

4. There were no further actions arising.

SECTION B – GOVERNANCE:

Audit Committee Annual Report

5. It was **agreed** that report was a true reflection of the business conducted during the year.
6. It was **asked** if the internal audits had been conducted online or in person, and did this give appropriate assurance. There was a robust debate about the risks and benefits of remote audit. It was **agreed** that future reports would identify if they had been conducted on site or remotely. **(Action – internal auditors)**
7. **Resolved** to approve the Audit Committee Annual Report and provide it to the Corporation Board

Board Assurance Framework Report

8. Governors recalled having reviewed a draft report shared in June, supports committee annual report, shows where assurances are coming from to address the identified risks.
9. **Resolved** to approve the **Board Assurance Framework Report** and provide it to the Corporation Board.

Regularity Audit Questionnaire

10. The report had been **reviewed** by governors. It was **confirmed** to be accurate.
11. Questions were invited.
12. **Resolved** to **approve** the report and provide it to the Corporation for signing.

GDPR Annual Report

13. This new annual report was welcomed and thanks given for providing an **informative summary**.
14. It was **requested** and confirmed that next year, a year-on-year trend would be provided.
15. The chair asked that a copy be provided to the Board for information in the chair's report.

SECTION C – CHIEF OPERATING OFFICER UPDATE:

Annual Risk Management report

16. The annual report was **received** and the process reiterated.
17. The Committee **confirmed** it was **satisfied** with the process of risk management. Does not need to be taken to the board. The Board will receive and review the strategic risk register, with assurance from the committee that the process was **robust**.

Internal audit action tracker

18. The internal audit tracker was **received**. Questions were invited.

SECTION D – External Auditor Update

Audit Highlights Memorandum and Management Letter

19. Letter did contain some detail and was taken as read. An overview of the highlights was provided and the areas still to be completed were identified.
20. The auditors confirmed the process was substantially complete. Explained what was needed to get to the point of being able to sign off.
21. It was confirmed that from the perspective of audit risks, there had been no changes. What was expected had been carried out.

22. Auditors confirmed their expectation to sign off with an unmodified opinion.
23. The key risks were detailed. Page 12 an unqualified audit opinion was offered.
24. Governors were assured that all recommendations were control factors and graded low.
25. Not expecting any matters of concern. Only one item found above triviality but below materiality, did not have to be adjusted but the college chose to.
26. **Resolved** that subject to the outstanding work being completed the committee recommend the Audit Highlights Memorandum and Management Letter to the Corporation.

SECTION E –INTERNAL AUDITOR UPDATE:

ESFA Follow Up Report

27. A brief summary of the work undertaken was provided from the internal auditor. Eleven actions were not due at the time of audit, but an appendix showed progress. One action was superseded as there was no subcontracting in 2023/24 or 2024/25.
28. Questions were invited.
29. The Committee were assured the actions were being addressed appropriately.

ONS Reclassification Audit

30. The low graded recommendation had already been addressed. Overall, strong assurance was reported after undertaking a checklist against the handbook, for compliance or gaps. The college was fully compliant.
31. Questions were invited.
32. It was asked how many organisations were in the benchmark figure?
33. Auditors advised that the benchmark was drawn from audit software, from any similar audits through the same academic year, would not have been many at that point, perhaps 5 colleges at the most, maybe less. Governors commented that as a general point it would be useful to know how many others the college was being benchmarked against. Will add this detail for the future. **Action (Internal Auditor)**

Internal Audit Annual Report 2023/24

34. Th report was received. The auditor reiterated that no high-level recommendations had been made.
35. The Chair thanked the internal Audit Team

SECTION F – HEALTH AND SAFETY

Health and Safety Report

36. The health and safety report was received, the RIDDOR position was discussed. Seeing good commitment in the health and safety committees.
37. A significant increase in sharp object issues was identified. It was asked if the college was confident there were actions in place to address this. The annual pattern was discussed, with a typical increase in construction at the start of the year and staff have been greatly encouraged to report so should expect to see the numbers go up. Governors were assured no poor practice had been identified.
38. Have seen an increase in RIDDOR reportable accidents, the accident investigation looks at the circumstances and steps have been taken to reduce the risks of incidents happening again in the future.

Health and Safety Link Governor update

39. The link governor feedback on the last meeting he had attended. Reported an interesting talk regarding identifying stress and relieving stress. Regular contact with the H&S manager was confirmed. The increase in construction incidents was unfortunately forecast.
40. Did not seem to have been such an increase in small animal bites this year, which was reassuring.

SECTION G - POLICY

Business Continuity Plan

41. The plan was provided to illustrate the practices in place and provide assurance. Has been extensively reviewed, by East Midlands, counter terror branch who were reported to be satisfied with it.
42. Desktop exercises completed were explained. The live exercises practiced were also explained. It was asked if any more were planned, they are in planning to be diarised, led by an external risk management leader.
43. It was confirmed that run-hide-tell training was provided to all students.
44. Governors commented that the process was screaming out to be digitised. It was confirmed it was a word document on the intranet, which could be accessed as long as we have access to Office 365. The critical importance of having a printed back up copy in case IT is unavailable during an incident was recognised.
45. This report gives a lot of reassurance.

Risk Management Policy

46. Policy updated from governor development day feedback, risk descriptors and probability scale have been updated resulting from this feedback. Examples provided to describe the scale.

47. **Resolved** to **recommend** to the board for approval.

Anti-Fraud and Bribery Policy.

48. **Resolved** to **approve** the policy with no changes.

SECTION H – Closing Items

Any other business

No other business was raised.

Impact of Governance

- A robust debate around remote audit and greater transparency benchmarking
- Process scrutiny and assurance.

Date of next meeting

17 March 2025

Joint receiving of accounts with F&R Committee

1. Accounts and subsidiary accounts explained by the Finance Director and the various statements that needed to be signed off were highlighted.
2. The adjustments from the management accounts were explained. One from the audit, £35k not material but had chosen to make the adjustment and a holiday pay accrual as a special calculation annual adjustment would be made.
3. Presentation between note 10 and P&L was questioned. This was explained as an effect of the pension position. The presentation and accuracy were assured.
4. Performance materiality was questioned, it was confirmed that auditors worked to the overall materiality.
5. The treatment of the pension provision was questioned. It was confirmed that the presentation of the pension and the accuracy were both correct. This was agreed by the governors. The external auditor could sign off as presented, but they could be presented differently – this is not material or changes the presentation of the accounts, the user can follow them as they are written. An amendment would make them more complicated than is necessary for next year's presentation.
6. A few anomalies in the wording were highlighted and would be reviewed before being presented to the Board **(Action SB)**.
7. The Audit committee was happy with the audit report. A summary was requested for the F&R governors. Bring both papers to the shared section in future. **(Action CD)**
8. Letter of representation for the Board to review and approve for signing was requested from the Auditors **(Action)**.
9. **Resolved** that the accounts be **recommended** to the Board for approval.

Meeting closed at 5.58PM