

## AUDIT COMMITTEE

### Minutes of the meeting held on Monday 16 June 2025 at 4.00pm in M6

<b>Present:</b>	Lucille Knapp Craig Ablett Andy MacCaig Mark Whitehouse Helen King Aaron Keers	Governor Governor Governor Governor Co-opted Governor Co-opted Governor (Teams)	Chair Vice-Chair (Teams)
<b>In attendance:</b>	Alicia Bruce Neil Clark Sue Hutchinson Catherine Duro Ian Smith	COO Internal Auditor – Wylie & Bisset External Auditor - Beever & Struthers (Teams) Head of Governance (Clerk) Health and Safety Manager (Minute 5 - 7)	

#### **SECTION A.1 – ROUTINE AND STANDING ITEMS:**

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##### **Apologies for absence (Agenda item 1)**

1. Apologies were received from Becky Bradshaw, and Graham Gillespie from Wylie Bisset.

##### **Declarations of interest (Agenda item 2)**

2. There were no declarations of interest.

##### **Minutes of the last meeting (Agenda item 3, Paper A)**

3. The minutes of the meeting held on **Monday 17 March 2025** had been circulated previously and were **approved** as a true and accurate record.

##### **Matters Arising (Agenda item 4, Paper B)**

4. The one action had been completed to the committee's satisfaction. There were no further matters arising.

#### **SECTION B – Health and Safety**

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##### **Health and Safety Report**

5. The new Health and Safety Manager was welcomed by the Committee. He gave a brief introduction, sharing his relevant experience. He shared his initial findings, reported on a good H&S culture and an open door for change, with qualified people completing risk assessments, and taking on suggestions for improvement promptly. It was confirmed that risk assessment processes are the main focus for the new term.
6. He confirmed he was able to ensure the college was compliant with suitable and sufficient risk assessments and actions. The report clearly highlighted some potential gaps in the identification and reporting of near misses reporting, which there would be a focus on to improve recording in the system, it was believed to be too low when data was compared against a typical and expected reporting pyramid. Any latent failures or

systemic problems may not be known until things go wrong, without this culture shift.  
**(Action IS)**

7. Governors were informed that accidents were up in 2024/25 compared to 2023/24. Though numbers and incident rates were very stable, confirming the college was a safe place of work.
8. The one RIDDOR accident that had occurred this year and following insurance process was detailed for governors' information.
9. Governors were informed that Martyn's law, following the 2015 Manchester bombing, had implications on the college. Working with the police to get some practice incidents in place to test run, hide, tell. Governors were assured that the college was currently meeting the initial requirements.
10. The manager reported working to link business continuity and health and safety with resilience management. Building some organisational resilience.
11. The Committee was asked and confirmed that they would like the report to cover both aspects. Recent audit reports come back as strong.
12. The link governor welcomed the level of detail and the suggestions to illustrate the report that had been taken on board.
13. Encouragement for new students to use safe zone, and the reasons for their reluctance were discussed. A myth busting education plan was in place for the new year to increase use and student safety.
14. Governors were assured that there was a direct connection between the H&S Manager and the link governor should whistle blowing ever be needed, allowing the H&S Manager to operate without fear of favor.

### **Health and Safety Link Governor Update**

15. The link governor assured the committee that their mind had been put at ease by the knowledge and experience of the new Health and Safety Manager. The background he brought in fire was an asset and would improve the position of the college.
16. Encouraged to go for some Health and Safety awards, to let the community know our strengths. All agreed but with the caveat that the appropriate awards be targeted as the process can be time-consuming and expensive.

***Ian Smith left the meeting***

### **SECTION C – GOVERNANCE UPDATE:**

17. No governance updates were due.

### **SECTION D – CHIEF OPERATING OFFICER UPDATE:**

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#### **Risk Management Report (Agenda item)**

18. The report was shared with the committee and questions were invited.  
It was asked if there had been a change in the attrition rate since the restructuring.  
It was asked if there had been a change in the payroll percentage.
19. The committee was informed that the restructuring had been unsettling but had no significant negative impact on college performance during the process. People were now settling back to normal operations as the process concluded, and the uncertainty was removed. Overall, there was no reduction in the payroll percentage, due to growth across the college, and a pay rise was proposed for next year which would be reviewed at F&R. A significant increase though had been avoided. Details would be included in the budget paper.
20. It was asked what was covered in the higher skills risk, this was perennial, and a strategic response was needed. It was asked that HEPOS be asked to provide an update to assure this committee of the action plan. **(Action CD)**
21. It was confirmed that the Cyber Essentials certificate was in place. The plan to address this further and activity to undertake some risk transfer around longer term cyber security, to access the external expertise we need, was progressing

### **Draft Board Assurance Framework Report**

22. The purpose of the report was explained, for the benefit of new governors. All were informed it was the documentation identifying where they found assurance throughout the year, and where any gaps may arise.
23. Assurance was sought around the college compliance with the Economic Crime and Corporate Transparency Act 2023 (ECCTA.) **(Action CD/ABr)**

### **Insurance Report.**

24. An open tender was advertised but had resulted in a significant increase in the premium, the claims history had not helped.
25. It was asked how long the open claims would be in place for. The broker manages the claim process. It was asked if this was good value, it was agreed that it was and maintained propriety over claims.
26. Assurance was offered that appropriate cover was in place, and the college benefited further from the size of the estate, so provision could be relocated if one area suffered damage.
27. It was asked where environmental cover was included e.g. pollution and confirmed that this was included in the commercial combined policy.
28. It was asked if the college was making use of the free training packages available from the insurers. They do make contributions in other ways but will ask about the training and the document library without copyright, which may be of use.

### **SECTION D – External Auditor Update**

#### **External audit draft plan 2024/25**

29. The external auditor provided a brief reminder on the agreed timeline, consistency of the team, risk-based approach, materiality, and reporting requirements that were met through to the board.
30. They explained the key areas that were audited, a key meeting had taken place with the finance team and regulatory practices. They take on board the wider sector, regulatory climate, and macro-economic climate. coverage of the Weston College matter, will be guiding focusing on SPH remuneration and management this year.
31. Areas of most significance to review, the risk of fraud in manual processes, the risk of income reducing it from a significant risk but keeping it elevated, the risk of error in reconciliation is potentially higher than the risk of fraud. Other elevated areas highlighted include pensions.
32. A question was asked about pension gender equalization, which extrapolates through 40+ years. There were a number of projects the LGPS were working through, and it was asked if this might affect the college. There was no feedback on this from the TPS but the college would remain alert to it.
33. It was asked how the auditor set the level of materiality. The auditor confirmed that it had a scoring mechanism, ranging between 1-3% for not for profit, including colleges. Most colleges were at 1.75% or 2% largely driven by external debt.
34. It was noted that the college did not keep a fraud register, and did not want the report to be misleading, suggesting there was one. The process was in place, and one would be implemented should any fraud be reported.
35. It was asked how auditors oversaw the stock valuation. It was confirmed that Fisher German independently does the farm stock take, which is used as evidence for the auditors, who observe this work on site. Lower value items e.g., catering stock were done internally.
36. It was asked when scope 1 and 2 carbon reporting measures would be required from the college. The Committee was assured that this had been reported to F&R for the past two years, accurate collation and reporting was work in progress but was under development, with support from an external consultant. It was encouraged that this be an internal audit matter for 2026/27 before reporting becomes mandatory. **(Action CD)**

## **SECTION E –INTERNAL AUDITOR UPDATE:**

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### **Internal Audit Reports**

37. The background process and reporting mechanisms were explained. It was confirmed the final audit of the year was underway.
38. The internal reports were received, with the committee's attention brought to the key points. Questions were invited.

### **Financial Controls**

39. A strong audit report with one low level recommendation which had been addressed by the time of the meeting. The governor was surprised expenses was not specified; it was confirmed that this was covered by payroll in the previous year.
40. It was asked how the auditor decided 5 was a suitable number of transactions, mainly due to the time allowed, if any exceptions were found a further sample would be taken.

## Follow Up Review

41. Looking at all recommendations from previous years. As reported of the eleven raised, 6 were fully implemented, 2 superseded, one not yet due and 2 partially implemented.
42. One high recommendation was challenged, the plan to address this and the time frame was explained to provide assurance.

## Business Continuity & Disaster Recovery

43. This recent audit was summarized. Three low grade recommendations were flagged, but overall strong assurance could be given. Pleased to find a detailed BCP in place, with clear roles and adequate training. The June exercise was detailed. It was asked if students knew what to do, it was covered in tutorials, to run, hide tell, and they were also known to be familiar with it from school too.
42. It was asked if the college had any dangerous animals, the larger farm animals are covered in the plan, there were no other dangerous or venomous creatures on site. It was also confirmed that we no longer had firearms on site.

## Curriculum Planning

44. Covered by internal audit in many colleges. Ensuring there is an appropriate annual cycle and controls in place for human resources, timetabling etc. and that end-to-end processes are being followed. Two low grade recommendations.
45. Share with CQS for information, as an annex to the curriculum plan they are being asked to recommend. **(Action CD)**

## Internal Audit Action Tracker

46. Nothing to add beyond what has been covered in the previous papers.
47. Governors were assured that work was on track to address a couple of actions for the end of June.

## Internal Audit Plan 2025/26 (Agenda item 8, Paper E)

48. The plan was received.
49. A governor had asked if the college's capacity for change would be audited, this was debated.
50. It was agreed that change should follow a project schedule, project management is being reviewed currently, it was asked what other process change could be audited against, as it would need a change and process to test and seek assurance against.
51. A governor expected a change impact assessment at the end of each project which would help to provide some assurance or gap analysis of change management. **(Action ELT)**
52. The auditor would do some benchmarking and see what is happening to assess the impact of change in other colleges. **(Action NC/WBG)**

53. It was asked that a sustainability audit be added for the following year (2026/27).

## **SECTION G - POLICY**

No policies were due for review.

## **SECTION H – Closing Items**

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### **Any other business (Agenda item 11)**

54. Lucille thanked all present for their support during her time as committee chair as this would be her last meeting, as her term as a governor was coming to its end.

55. Lucille was thanked for her tenacious commitment over 8 years.

### **Impact of Governance (Agenda Item 12)**

### **Date of next meeting (Agenda item 13)**

The next meeting was to be confirmed.