

AUDIT COMMITTEE

DRAFT Minutes of the Meeting held on 8 March 2022 at 17:30
The Source, Worcester

Present

Governors:

Kevin Gaffney	Chair
Stephen Bolton	
Tony King	
Denis Miles	
Steph Simcox	

In Attendance:

Stuart Laverick	Principal
Nicki Williams	Vice Principal and Deputy Chief Executive Officer
Cherie Clements	Director of Finance
Louise Tweedie	Partner and Engagement Lead (RSM)
Asam Hussain	Risk Assurance Director (RSM)
Kay Kavanagh	Clerk to the Corporation

Action

- 25.1 Apologies**
No apologies were received.
- 25.2 Declarations of Interest**
Members were asked to declare any Interests, financial or otherwise, which they may have in any Agenda Item. Members confirmed that they had no interests to declare.
- 25.3 Audit Committee Concerns**
Members were invited to raise any issues which they wish to discuss. KG confirmed that discussion re the tender for Internal Auditors would be on the confidential agenda.

LT and AH joined the meeting
- 25.4 Auditor Concerns**
The Auditors were invited to raise any issues which they wish to discuss, and all confirmed that there were none.

CC and NW joined the meeting
- 25.5 Minutes of the Previous Meeting**
The Audit Committee **approved** the Minutes of the meeting held on 30 November 2021.

25.6 Matters Arising

The Audit Committee **monitored** action taken, and remaining to be taken, in respect of Matters Arising from the Minutes of previous meetings.

Governors were satisfied with the justification for the College continuing to use the services of Harris & Associates.

25.7 Determination of Any Other Urgent Business

No other urgent business was determined.

25.8 Internal Audit:

The Corporation were **advised** on the Internal Audit Reports from RSM and management's responses to these.

a) 21/22 Facilities Management Arrangements

AH explained that the purpose of this audit was to look at the estate, along with maintenance and compliance.

AH confirmed that, taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.

A governor **challenged** the reactive performance levels of 45%, and 66%, concerned that these were lower than expected. NW explained that the contract is in its final year and there have been management structure changes which have impacted the service. NW added that Tenet have created an action plan and a tender process is underway, with the outcome being tabled for Corporation approval on 22 March.

b) 21/22 Framework for Compliance with Legal and Regulatory Requirements: Data Protection

AH explained that this was a factual report with no opinion given.

There are 4 advisories, with 1 high risk identified.

The Information Asset Register will be expanded to include the following information:

- The data classification
- How the data is securely transferred
- If the data is used outside of the UK/ EU

All agreed that risks are low.

c) Higher Education Framework

AH explained that the review centred on the College's arrangements for the ongoing conditions of registration as embodied in the Regulatory Framework, focusing on Sections E1 and E2 and the governance related aspects from the 'terms and conditions' issued each year by the Office for Students.

LT added that it is an extensive report, which included a governor's questionnaire.

There were two low priorities identified:

- The College has not formally adopted a governance code. This may not be in accordance with the ESFA Terms and Conditions.
- There is no central schedule for statutory returns. However, we confirmed that the most recent returns to HESA, the ESFA and SLC (SFE) were submitted timely.

d) Progress report 2021/22

The 2021/22 Internal Audit Plan was approved by the Audit Committee in June 2021.

A governor questioned if there could be opportunity for the Internal and External Auditors to work/compliment each other. LT explained that this could be explored.

3 briefings were provided to the committee for information:

- Be scam savvy
- External Quality Assessment
- Higher Education Briefing January 2022

Governors **thanked** LT and confirmed that these briefings are useful additions.

e) Benchmarking report 2020/21

LT explained that as part of the internal audit service, RSM provide benchmarking data to their clients within their internal audit assignment reports. At the assignment level, benchmarking provides a comparison against the numbers of actions agreed, and the assurance opinions provided in similar audits performed across the sector in their client base.

There were no concerns.

25.9 Strategic Risk Register – Autumn Term 2021

NW provided an overview of the Risk Register changes.

Of the 8 changes, 7 reduced in risk value and 1 increased.

SL added that the register is a live document, with risks being updated as necessary.

A governor **questioned** if the risk owners have the management of the respective risks in their PDPs. NW confirmed that individual risks are not identified in PDPs, as some risks cannot be managed due to outside factors. Where risks can be managed, there should be a general thread in the PDPs in relation to the area of risk.

Action

A governor **suggested** that further changes may now be required due to the actions of Russia against the Ukraine. NW agreed.

Governors **monitored** the College Risk Register and **recommended** it to the Corporation for approval.

25.10 FE Commissioner – Annual Report

Governors **received** the Annual Report of the Further Education Commissioner.

There were no comments.

25.11 Any Other Urgent Business

There was no other urgent business.

25.12 Date and Time of Next Meeting

Tuesday 21 June 2022, 17:30 in the Source, Worcester

KG has given his apologies for the next meeting. It was agreed that the meeting will be chaired by the vice-chair, Steph Simcox.

Auditors left the meeting at 18:15

CONFIDENTIAL ITEMS

25.13 **See separate confidential minutes**

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25.15

There being no further business, the meeting closed at 18:20.

Signed:

Date: