



Minutes Audit Committee Meeting
Tuesday 5 March 2024 at 17:30
The Source, All Saints Building, Worcester

Main Agenda

Present

Chris Hallam (Chair)
 Denis Miles
 Vicki Davies
 Michelle Dowse (Principal)
 Adam Hall
 Cherie Clements
 Nicki Williams
 Donna Gibson (Deputy Clerk)
 Louise Tweedie (RSM)

The meeting was observed by Sarah Connerty, External Governance Adviser, via Teams.

Item		Action For:
31.1	<p>Apologies & Welcome Apologies were received from Gary Woodman. It was noted that Bishop Fleming were not in attendance due to there being no external audit items on the agenda.</p> <p>AH was welcomed to his first committee meeting noting that the experience brought to the membership is invaluable.</p> <p>SC was welcomed to the meeting and the Chair explained that SC is undertaking a review of Governance and reviewing the Governance Improvement Plan, part of that is observing the meeting. SC was thanked for her work so far.</p>	
31.2	<p>Declarations of Interest There were no declarations of any interests, financial or otherwise.</p>	
31.3	<p>Audit Committee Concerns Members did not have any issues which they wished to discuss in the absence of the internal auditor</p>	
31.4	<p>Auditor Concerns Auditors did not wish to raise or discuss any issues in the absence of College Management.</p>	
31.5	<p>Minutes of the Previous Meeting The minutes of the meeting held on 28 November 2023 were approved subject to the changes to page 5 – where the word “would” be to be added in two places,</p> <p>It was agreed that once amended, the minutes could be published on the college website.</p>	Deputy Clerk

31.6	<p>Matters Arising Members noted that the actions were all marked as complete.</p>	
31.7	<p>Determination of any other Urgent Business <i>A governor asked if the matter from November 2022 Audit Committee in relation to Tender Committee outcomes, should have come back to Audit Committee so that the committee could have oversight and be satisfied with the decisions made. The outcomes had been provided to the Finance & Resources Committee. Management responded that a verbal update had been provided at March Corporation.</i></p> <p>It was agreed to revisit the item so that the matter can be closed off appropriately at the next meeting.</p>	Deputy Clerk
31.8	<p>RSM Presentation Members received a presentation about the impact of the ONS Reclassification. The presentation would be made available to all Governors on the Governor portal.</p> <p>The key points were:</p> <ul style="list-style-type: none"> • The availability of several bitesize guides including Senior Pay, Write Offs and Losses, Asset Disposals and Novel, Contentious & Repercussive Transactions. • Borrowing requires ESFA approval and requests for new loans are unlikely to be accepted. Existing debts have to be paid up to their maturity. • Existing overdrafts are likely to be phased out by August 2024. • Key documents relating to Governance need to be reviewed and tweaked where necessary. <p><i>The Chair reassured all that the external auditors had been very thorough and rigorous when checking the colleges position.</i></p> <p>It was noted that the College Financial Handbook will be published shortly.</p> <p><i>A governor asked what the penalty is for non-compliance. They were advised that intervention would be the route that would be taken.</i></p> <p><i>With regards to MPM a governor questioned if we could look at opportunities to reduce insurances, energy bills etc. Internal Audit advised that at present there are not a lot of opportunities in those areas. The anticipated VAT benefits did not materialise.</i></p> <p><i>A governor challenged whether we would be made aware of any opportunities in the future should they arise. The Principal assured members that the networks that we are part of are very strong and information is frequently shared, so yes, we would be aware.</i></p> <p><i>Members were further reassured that the Finance network is very active in sharing information about insurance and that MPM is a consideration when the college undertakes Tender exercises.</i></p> <p><i>A governor questioned the proposed change to the financial year and aligning audits to that. They were advised that the sector is pushing back hard on the issue. Audit companies are already busy in March and any change to the dates would make cut offs difficult to manage. The sector is being led to believe the issue is that the feasibility stage and a small handful of colleges may be involved in a pilot.</i></p> <p><i>A governor asked what would happen if a college wanted to sell a building because they needed revenue, and if the sale was successful? They were advised that the funds received could not be used to prevent insolvency. Other funds would need to be sourced.</i></p> <p>A quick round the table asking governors how familiar they are with MPM since joining the college. Responses ranged from little knowledge, some knowledge but due to a past role,</p>	Deputy Clerk

	<p>being mindful that governors are volunteers a reminder would be useful. LT to find a summary that can be used to make governors are of the liabilities. MPM will be added to the July Corporation agenda to aid governor understanding. A section would be added to the governor portal that is specific for MPM and connected issues.</p>	Deputy Clerk
31.9	<p>Internal Audit Reports Members received the Internal Audit Reports from RSM and noted the following:</p> <p>Progress report 2023/24 Members noted progress against the internal audit plan. They had found the report to be very factual and a useful document to receive.</p> <p>In particular members had found the briefings for Harassment and Sexual Misconduct and Risk Radar to be informative, particularly the emerging areas. Of particular interest was the shift in the themes shown in the in risk radar recap</p> <p>FE Benchmarking Report 22/23 Members noted that:</p> <ul style="list-style-type: none"> • each year three years of assurance levels across colleges are analysed. • this year the position for Heart of Worcestershire College is reasonable • in previous years, the college has been in line with the sector. • Student Experience, Training and Financial Management are the top 3 areas that commonly lead to the change in position for colleges, followed by Governance & Risk, IT and People <p>Members took some degree of assurance from the colleges position previously and noted it was good to know the sector benchmarks.</p> <p><i>The Principal assured members that we always select the areas where we know assurance is required, we are bold in our decisions. Members were reminded that the areas were selected based on the new Principal being appointed and seeking assurance on the riskiest areas first.</i></p> <p>Members noted that Audit Committee can challenge areas that are selected and could request a deep dive into areas to get further assurances; it has happened in the past. Audit Committee previously received a paper of the areas that management felt needed to be addressed, the committee has a role in directing towards areas of concern and are confident that the action plans in place will take the college in the required direction.</p> <p>Student Support Bursaries Members noted that the audit for the area had gone well, and testing had been thorough. The college offers a number of funding streams to students needing financial support.</p> <p>The audit had provided substantial assurance. Members were pleased with the outcome.</p> <p>Management Actions from Internal Audits – Update Members noted that this is a termly review intended to ensure that actions are being followed up. Some actions have passed the completion date and the red action has been discussed with K Gentles (RSM).</p> <p><i>The Principal reassured members that SLT are now reviewing this item monthly and non-completion, lack of updates is challenged accordingly.</i></p>	
31.10	<p>Strategic Risk Register – Spring Term 2024 Members agreed the recommendation for Corporation to approve the register.</p>	NW

31.11	<p>FE Commissioner – Annual Report</p> <p>Members received the Annual report of the Further Education Commissioner, noting this had been a recommendation from the External Review of Governance.</p> <p>Members noted:</p> <ul style="list-style-type: none"> • We are engaged with CEFSS process. • The Principal has a mentor. • The Principal and Chair of Corporation are participating in the Just One Thing programme for the classes of 22/23 and 23/24 • Support has been provided following the Ofsted inspection. • Learning walks have been undertaken. • A college with outstanding SEND delivered CPD to our staff. 	
31.12	<p>Any Other Urgent Business</p> <p>There was no urgent business and the Chair thanked LT and SC for joining the meeting. Internal Auditors and the External Governance Adviser left the meeting.</p>	
31.13	<p>Date and Time of Next Meeting</p> <p>Tuesday 18 June 2024, 17:30 at The Source, Worcester</p>	