Minutes of the Audit Committee Meeting

Held Thursday 7 March 2024

Present Ian Hughes *(Chair)*, Tiffany Harvey-Pallent *(Vice Chair),* and Kate Taylor

In attendance Andrew Woodford *(Vice Principal, Chief Finance Officer)*
Asam Hussain (RSM UK)
Rob Lawson *(National Leader in Governance)*
Jennifer Sunter *(Clerk to the Corporation)*

1		**Apologies**
		Apologies were received from Helene Jones and Mark Sterling.
		It was noted that Mark Sterling had stepped down from and that Kate Taylor had joined the Committee.
2		**Declarations of Interest**
		There were none.
3		**Minutes of the Audit Committee Meeting held 6 December 2023 and Matters Arising**
		The minutes of the Audit Committee Meeting held 6 December 2023 were approved as a correct record.
		Under Matters Arising:
		Item 9a, Any Other Business; the chair had considered the order of business following a suggestion regarding the agenda. The action was closed.
4		**Audit Plan and Reports**
	4a	**Audit Plan Mid-Year Update**
		Governors noted that while dates had been revised across the audit plan, there was no substantive change to the areas of planned work.
	4b	**Progress Report on Audit Action Plans**
		Governors noted that the internal auditors had reviewed the progress made against all action plans and noted that all actions were deemed completed. However, governors asked that the retention of records post-employment be queried with HR.
	4ba	A query regarding retention of records to be raised with HR in the first instance.
		The Audit Committee noted the progress report on Audit Action Plans and authorised removal of items with the status of completed.
	4c	**Internal Audit Reports**
		Follow Up Review Asam Hussain provided an overview of RSM UK's approach to internal audit and final report statements of assurance and recommendations arising. Governors discussed some of the management actions, particularly noting the move away from the requirement of wet signatures on employment documentation. Implementation of two actions remained ongoing.
		Website Compliance Review

		Asam Hussain reported that internal audit opinion was that of substantial assurance with regard to website compliance.
		Within the scope of the review, findings and implications were provided with several low priority management action recommendations being given.
		Governors commended the report for assurance and usefulness, while querying if the number of low level recommendations, when aggregated, constituted a greater level of concern. It was noted that there had been prompt action to recommendations, however this was further discussed, noting current policy and procedure and staff oversight of website updates. Andrew Woodford noted that training on website updating was being undertaken and that the policy record could be reviewed for recording update of policy responsibilities for the website.
	4ca	The procedure for policy updates with regard to provision for the website would be reviewed.
		The Audit Committee received the internal audit reports and accepted the management responses for Follow Up Review and Website Compliance Review
5		**External Audit**
	5a	**Review of External Audit Performance Indicators**
		Governors confirmed that overall, they were satisfied with the performance of the external audit service providers against key indicators agreed.
		Governors agreed that the indicators remained relevant and that there was scope to draw out value added performance on wider client engagement, for example through sector updates, surveys and webinars.
		The Audit Committee received the review of External Audit Performance Indicators and approved that there were no substantive changes at present to Key Performance Indicators for 2023/24.
6		**Risk Reporting**
	6a	**Risk Update 2023/2024**
		Andrew Woodford provided a mid-year update of risk management based on the current procedures and resultant documents. One new amber rated risk was introduced as
		• Failure to embed emerging technologies into the curriculum
		Seven risks addressing AI and the pace of technological change were also added to the register.
		Two other risks were upgraded to amber
		• Failure to ensure sufficient funds for capital building/maintenance • Failure to secure borrowing
		With regards to estate management and borrowing restrictions, it was noted that Halesowen College had agreed to be a case study following the strategic conversations with the ESFA and WMCA.
		With regards to GDPR breaches members discussed the scoring with no change agreed at this time.
		Andrew Woodford gave a presentation of a new approach to risk reporting that was under development. The Powerbi data set picture supported by clear colour coded metrics, to be further underpinned by narrative, was welcomed.
		Governors asked if the right measures were in place for risks and how they were included in the list. It was felt that there were currently too many risks listed and noted that some consolidation could be undertaken.
		It was agreed that this was good work in progress, with a new more dynamic model, which would reduce duplication and support both managers and governors in clarity and focus.

		The Audit Committee recommended the mid-year updates to the risk management suite of reports to be approved by the Corporation, incorporating: Risk Management Summary Risk Action Plan 2023-2024 Mid-Year Update Risk Spreadsheet Risk Register 2023-2024 Mid-Year Update
7		**Annual Reviews**

	7a	**Anti-Fraud Self-Assessment Checklist and Suite of Policies**
		   i. Anti-Bribery Policy
		   ii. Anti-Fraud Policy and Response Plan (restricted access)
		   iii. Anti-Money Laundering and Proceeds of Crimes Policy

		Governors considered the three policies to support the College in mitigating against fraud, alongside the anti-fraud self-assessment checklist and the response plan to address any fraud arising. Members discussed how these core policies were communicated to staff to make them visible and accessible. The use of a leaflet (comparable to the Whistleblowing leaflet) and potential toilet door campaigns were suggested. Members also raised two actions in relation to the Anti-Fraud Self-Assessment Checklist and Response Plan and one action in relation to policies.
	7ai	That the Anti-Fraud Self-Assessment Checklist be reviewed regarding increasing coherence in titles and responses.
	7aii	That managers seek further guidance regarding any references to PACE within the Anti-Fraud Response Plan.
	7aiii	That gender language be checked in policies.

		That Audit Committee noted the report and anti-fraud self-assessment checklist and approved the revised
		  • Anti-Bribery Policy
		  • Anti-Fraud Policy
		  • Anti-Fraud Response Plan
		  • Anti-Money Laundering, Terrorist Financing and Proceeds of Crime Policy

	7b	**Overview of Governor Development and Training**
		The report on governor training was noted.
	7ba	Members felt that reporting on governor training and development would be better placed with the Personnel Committee, which would be considered under review.
	7c	**Review of Whistleblowing Policy**
		Members noted the update of policy.
		The Audit Committee approved the revised Whistleblowing Policy.
	7d	**Review of Disaster Recovery Plan and Major Incident Policy**
		Governors praised the management team for carrying out a disaster management exercise and how this supported ownership of the policy and procedure. Andrew Woodford outlined the planning and engagement with this exercise which had been successful. Recommendations arising from this were being taken forward.
	7da	Governors requested that any action plan arising from the disaster management review exercise could be provided for the Committee.

		The Audit Committee noted and approved the revised Disaster Recovery Plan and Major Incident Policy.
8		**Termly Monitoring**
	8a	**Health and Safety and Security Monitoring**
		In considering the data provided across health and safety and security, governors raised several points to assist their monitoring; • inclusion of trends and direction of movement on data • indication of any action timelines and next steps • increase focus on reporting near misses Governors also asked if accidents within Hair and Beauty courses were disproportionately high. The report was accepted.
	8aa	A request for additions to the report for Health and Safety and Security Monitoring would be provided to the author for review.
	8b	**Freedom of Information and GDPR Monitoring**
		In considering the data on GDPR members asked if the number of low level mistakes was high. Andrew Woodford outlined that staff were required to undertake training and that additional moderation of reporting was required going forward.
	8c	**Minutes of the Office for Students Correspondence Group**
		The minutes were accepted. In discussion two actions arose.
	8ca	It was agreed that a cover report sheet would enhance the value of the minutes of the Office for Students Correspondence Group provided for monitoring and assurance.
	8cb	Internal auditors agreed to feedback practice on monitoring Higher Education and OfS information and compliance monitoring.
	8d	**Governance Action Plan**
		It was noted that the current Governance Action Plan included a few actions from the Corporation Development Day and would be populated further with development actions arising from the current process of external review of governance.
9		**Any Other Business**
		There was none.
10		**Date of Next Meeting** Then next meeting was scheduled for 6 June 2024.

The meeting closed at 8.05pm