

**CALDERDALE COLLEGE
AUDIT COMMITTEE MEETING**

**Draft Minutes of the Meeting held on 10 June 2021 at 17.00 via MS
Teams**

Present:

Rachel Court	External Governor (Chair)
Jenny Grainger	External Governor
Chris Reeve	Co-Opted Governor

In Attendance:

Sharon Bowker	Executive Director (Finance and Funding)
Mike Redfern	Grant Thornton
Callum Flanagan	Grant Thornton
Jonathan Creed	ICCA
Jane Taylor-Holmes	Clerk

Agenda: There were no items of other business.

Min. No	Minutes	Action
	AC/21/113 - Apologies for absence	
1	Apologies were received from Richie Dunk, External Governor Katherine Disley, External Governor Adrian Furness, External Governor.	
2	Apologies were also received from Mr R Rawlinson, Director of Operations.	
	AC/21/114 – Confirmation of eligibility, quorum and declarations of interest	
3	No notice had been received of any member becoming ineligible to hold office. There were no declarations of interest in agenda items. The meeting was quorate.	
	AC/21/115 – Minutes of previous meetings	
4	Resolved: The minutes of the meeting held on 18 March 2021 were approved as a true and accurate record,	

Min. No	Minutes	Action
	subject to the inclusion of the time of the meeting.	
	<p>AC/21/116 – Matters Arising</p> <p>5 In relation to the actions arising from items AC/21/104, Mrs S Bowker, Executive Director (Finance and Funding) provided an update. Mrs Bowker explained that the Mental Health First Aiders have received training and provide a first port of call for any support needed. Work done this year has been around raising awareness. The College Wellbeing Group is looking about the development of these roles.</p> <p>6 Committee members asked whether any theme information from the Mental Health First Aiders could be shared, it was agreed that this would be included within the Health and Safety Report when available.</p> <p>7 All further matters arising from previous meetings were completed, for completion at a later date or on the agenda for discussion.</p>	
	<p>AC/21/117 – Health and Safety</p> <p>8 On behalf of Mr R Rawlinson, Director of Operations, Mrs Bowker provided an update to the meeting.</p> <p>9 Mrs Bowker explained that there had been reduced numbers of learners, staff and visitors within the College during the period covered by the report and a lot of the report reflects the fact that the College had been closed.</p> <p>10 Committee members received the update report.</p> <p>11 Mr C Reeve, Co-opted Governor asked a number of questions in advance, answers were provided as follows;</p> <p>12 In relation to near miss reporting, this had been raised at the Committee previously, this would have been impacted by lack of numbers on site. It was noted that the focus of resources had been on keeping the site open.</p> <p>13 Mrs Bowker explained that the Health and Safety Committee had not met formally during the year. Near miss reporting was is a standing agenda item and would be on the agenda for the Committee to consider during the next academic year. Near miss reporting had been included in the induction for new staff. Work would continue in the new academic year to ensure near miss</p>	

Min. No	Minutes	Action
14	reporting what shared with all existing members of staff. Mr Reeve offered a suggestion, and questioned whether a moderate target for reporting near misses would provide helpful additional focus in this area. This would be considered.	
15	A further question had been raised in relation to benchmarking. Mrs Bowker explained that this had been discussed with the Yorkshire and Humber network, however it was difficult to compare the College to others. Meetings of the network had not taken place however, this would be revisited.	
16	A further question was raised as to whether any benchmarking information could be provided from Wilby Risk Management who were providing a number of health and safety audits. This would be considered.	
17	Mrs J Grainger, External Governor asked for information in relation to the RIDDOR reportable matters. It was noted that this related to an additional reporting requirement related to COVID transmission incidents. There had been no incidents prior to December 2020 and none since the return to College and the requirement to wear face masks.	
18	Committee members commented on the positive work undertaken by the College and the Teams to ensure that staff and students had remained safe.	
19	Resolved: Committee members noted the Health and Safety update.	
20	Resolved: Committee members received an approved the Health and Safety Annual Report 2020/21 and Development Plan for 2021/22.	
21	AC/21/118 – Internal Audit Reports Committee members welcomed Mr J Creed, ICCA to the meeting. Mr Creed provided a summary of the Internal Audit reports.	
22	In relation to the Follow up report, a substantial assurance opinion had been provided. Mr Creed referred Committee members to section 1.4 of the report and the eight recommendations brought forward. It was noted that two originated from the mock funding audit and had been considered as part of the mock funding audit. Of the seven	

Min. No	Minutes	Action
	recommendations arising from 2020/21, five had been implemented. Mr Creed referred to the action plan at section 4 of the report.	
23	Of the remaining recommendation, it was noted that work continued to adopt a consistent health and safety risk assessment throughout the College, this was planned for completion during 2021/22. The other recommendation had now been completed.	
24	It was noted that the Audit Recommendations and Actions paper would now be updated to reflect this current position.	
25	Committee members discussed the benefits of the Internal Audit function providing follow up. It was agreed that although the majority of the recommendations were low priority, it was a useful assurance that recommendations were completed.	
26	In relation to the ESFA Mock Funding Audit: 16-19 Study Programme, it was noted that substantial assurance had been received.	
27	It was noted that there were five low priority recommendations. Mr Creed provided further information on the recommendations and the action plan. It was noted that some of the activity had been impacted by COVID, for example retrospective signing of the learning contracts. This had been seen across the sector. There had been two inconsistencies identified within the ILR review, it was noted that the majority of inconsistencies would not impact on funding, however, there may be instances when this could potential impact on income due to a drop in funding band. It was noted that there was no clawback in year planned. Again, Mr Creed explained that this was similar to issues identified in other Colleges.	
28	Comment had been made from Helen Culshaw, Audit Manager during the audit that she was pleased with the benefit realised in relation to the improvements actions which had been put in place.	
29	Mr Reeve asked whether the improvements should be identified within the report. It was noted that this was.	
30	Committee members asked about the completion of the AEB and Apprenticeship report, Mr Creed explained that analysis had been completed before half term and the	

Min. No	Minutes	Action
31	<p>draft report completed today, the report should be concluded in the coming days. Mrs Bowker had received the B3 report. It was noted that the report would be circulated to Audit Committee members as soon as available.</p> <p>Resolved: Committee members received the Internal Audit Reports.</p>	<p>Action: Mrs Bowker When available</p>
32 33 34 35	<p>AC/21/119 – Audit Recommendations and Actions</p> <p>Mrs Bowker provided an overview of progress towards the agreed actions arising from Internal and other Audit reports.</p> <p>Mrs Bowker explained that the length of the document would be reduced when the final mock internal audit report had been received.</p> <p>There was only one outstanding and overdue recommendation, Committee members were referred to page 85 of the papers, Mrs Bowker explained that this recommendation been scheduled to be completed for new enrolments.</p> <p>Resolved: The Committee noted the progress in relation to Audit recommendations.</p>	
36 37 38 39	<p>AC/21/120 – Internal Audit Strategy & Annual Plan 2021/22</p> <p>Mr Creed presented the internal Audit Strategy and Annual Plan.</p> <p>Committee members reviewed the plan and received more information on the individual reports within the plan. It was noted that the Plan was consistent with previous years</p> <p>It was further noted that there was the ability to review the plan throughout the year if needed.</p> <p>Mrs R Court, External Governor (Chair) explained that there had a preliminary discussion on the Annual Plan between the Principal, Mrs Bowker and Mrs Court to consider where the budget might best be utilised. It was agreed that this was a useful addition to the process of considering the annual plan.</p>	

Min. No	Minutes	Action
40	It was noted that the Subcontracting audit was mandated.	
41	Mrs Grainger commented on the student journey audit and asked for assurance around the scope. Mr Creed explained that this the scope was around the process, how activity was monitored as effective and how learners who had expressed an interest continued to be engaged.	
42	It was noted that a question had been received in advance around coverage and depth. In terms of the specific length of the audits, how deep an assurance can Committee members receive on a topic.	
43	It was noted that the number of audit days at the College was consistent with other Colleges within the sector. It was agreed that the number of audit days was appropriate for the size and complexity of the College.	
44	Mrs Bowker referred to the Risk Register and the additional columns in relation to assurance. This would demonstrate where alternative assurance could be received to ensure that the control environment is sufficiently robust.	
45	Mr Creed commented that the internal audit function does not provide assurance in relation to the quality of learning as Ofsted was responsible for this.	
46	Mrs Court asked about the scope in relation to the IT data security audit, and whether ICCA would be considering the approach to be taken if there was a ransomware attack in terms of the preparedness of the College and whether business continuity / recovery plans were in place. It was agreed that this would be within the scope.	
47	Mr M Redfern, Grant Thornton commented that this was an area of specific concern in the sector and agreed that this was wider than a technical response but also a cultural approach and whether it would be appropriate from a PR perspective.	
48	Resolved – Committee members approved the Internal Audit Strategy and Annual Plan 2021/22.	
49	<p>AC/21/121 – Financial Statement Audit Plan for Year ending 31 July 2021</p> <p>Mr Redfern explained that representatives from firms of Auditors were meeting with the ESFA on 11 June to</p>	

Min. No	Minutes	Action
	<p>discuss the fact that the ability to rely upon the ESFA return had been withdrawn. Mr Redfern commented on the historic position and the most recent position where the financial statement auditors could rely upon the ESFA return.</p>	
50	<p>It was hoped that the meeting could agree some commonality of approach that the ESFA feel will meet the need. It was agreed that there would be a further discussion when it was known what was required.</p>	
51	<p>Mrs Bowker commented that whilst it was understood that there would be a financial cost, there would also be a resourcing cost and operational issues would require consideration.</p>	
52	<p>Mr Redfern referred Committee members to updates to further additional work at Appendix 2 of the report.</p>	
53	<p>Mr Redfern also referred to the significant risk areas which were unchanged from previous years. There were no major changes in relation to the review of journals, and the review of the pension reports.</p>	
54	<p>In relation to pensions specifically the LGPS contributions have increased this year, Mr Redfern commented that there was some uncertainty of the impact on valuations. When dealing with the pension actuaries refer to 31 March this will be needed to 31 July. It had been confirmed that the Government would continue to support additional contributions.</p>	
55	<p>Additional work regarding additional ISA requirements and going concern would be in line with the additional work around COVID which had been completed in 2019/20. Mr Redfern commented that there was a need to consider going concern looking at a period of 12 months from the year end being reviewed.</p>	
56	<p>Payroll expenses continued to be tested along with accruals and trade creditors.</p>	
57	<p>The document presented the approach to be taken to materiality and there were no changes to regularity.</p>	
58	<p>In relation to logistics, the sign off date would be confirmed in due course depending on information received from ESFA.</p>	

Min. No	Minutes	Action
59	The fee element would also to be confirmed in relation to the revised approach to be taken in respect of revenue.	Action: Audit Committee November 2021
60	The independence was noted in relation to the TPS work and fees.	
61	It was noted that the regularity self-assessment would be provided to the Audit Committee in November. This refers to the standard template which is provided to the College for completion.	
62	Resolved: Committee members approved the plan subject to a further discussion around the elements yet to be resolved in relation to the additional work on revenue.	
63	AC/21/122 Risk Management	Action: Mrs Bowker June 2021
	<ul style="list-style-type: none"> • Risk Register 	
	Committee members considered the risk register, it was noted that there had been a number of changes in the risk register since this had been last reviewed by the Committee in March.	
	Mrs Bowker commented on the changes and that the categories had been extended and the impact also included compliance and reputational risks beyond purely financial. In the cases where there were a number of risks, the one which was the best fit had been adopted.	
	Across the columns, some of the wording had been amended and there was a new column relating to risk appetite. Rather than a separate Board Assurance Framework, internal and external assurance columns had been included to reference further assurance for Governors. It was noted that the action required column related to a gap in assurance.	
	Committee members commented positively on the amendments made.	
67	Mrs Court commented on the RAG rating of the risk appetite and questioned whether that should be rated against whether the residual risk was inside or outside of the College appetite. It was suggested that it may be clearer to take of the RAG rating with a comment added that confirms whether the score is inside or outside of the risk appetite. If the assessment is outside of the risk appetite, this could be reviewed. From this point the	

Min. No	Minutes	Action
68	approach would be either to look for actions to mitigate or a risk acceptance process, this could be referenced within the register. It was agreed that this would be further considered.	Action: Mrs Bowker Autumn 2021
69	Mrs Bowker commented that there was one change proposed in relation to risk number 10 and that the funding body risk was decreasing due to the internal audit report.	
70	Committee members agreed that the amendment was appropriate. The further Mock audit report was expected and some actions may be identified. One of the actions may refer to 'addressing the recommendations identified as part of the Internal Audit reports'. It was agreed that the aim was to reduce the likelihood to unlikely. It was agreed that the risk was currently outside of appetite, the Committee would like to see the risk reduced to 8.	
71	Committee members reviewed risk 11 and considered the score of 3, which areas of legislation was covered and what the Committee was required to consider in this area. It was noted that the impact of mandatory training compliance was important within this area. It was further noted that compliance with mandatory training remained strong. It was agreed that further consideration would be given to assurance from other Committees around Safeguarding and EDI. It was agreed that the risk aim would be a score of 8 and that this would be within risk appetite tolerance.	
72	In relation to risk 12, it was agreed that this was within risk appetite tolerance. It was noted that there was a requirement that this risk was on the risk register.	
73	It was noted that there were a number of KPIs being developed to expand on employee information provided to the Finance and Resources Committee, this may impact on assurance in some of the risks and would be further considered.	
74	Resolved: Committee members noted the content of the Report.	
75	<p>AC/21/123 - Policies</p> <p>Fraud and Irregularity 2021/22</p> <p>Resolved: Committee members approved the Fraud and</p>	

Min. No	Minutes	Action
76	<p>Irregularity Policy 2021/22</p> <p>Health, Safety and Wellbeing Policy 2021</p> <p>Resolved: Committee members recommended the Policy to the Board for approval.</p> <p>Risk Management Policy</p>	
77	<p>Mrs Bowker referred to the changes made in the Risk Management Policy and risk appetite at page 145 of the papers. It was noted that this had been introduced and applied to the Risk Register. Mr Reeve commented on the positive inclusion of the definitions.</p>	
78	<p>A question was raised in relation to Board approval of the Policy and in particular, the approach to risk appetite.</p>	
79	<p>Mrs Bowker explained that there was no requirement that the Policy had Board approval, however, in the previous year, this had been shared with the Board for information and would be done so in July. Mrs Bowker further explained that the Policy and the Risk Register would be shared throughout the Committees and then to the Board.</p>	<p>Action: Mrs Bowker July 2021</p>
80	<p>Resolved: Committee members approved the Risk Management Policy 2021.</p>	
81	<p>AC/21/124 - Schedule of Policies and Procedures considered by the Board and its Committees and Annual Report.</p> <p>Committee members received the updated Schedule and the Annual Report.</p>	
82	<p>It was agreed that a further update would be provided to the Committee to confirm that any gaps in policy review had been completed within the academic year. It was further agreed that in future years, this annual review would be provided to the first meeting of the Audit Committee in the new academic year.</p>	<p>Action: Mrs Taylor-Holmes Autumn 2021</p>
83	<p>Resolved: Committee members noted the content of the Report.</p>	
84	<p>AC/21/125 - Deep Dive Schedule for 2021/22</p> <p>It was agreed that it would be useful to have a deep dive in relation to risk 11 and compliance with legislation and in</p>	

Min. No	Minutes	Action
85	<p>particular compliance with legislation and controls and where this was overseen.</p> <p>It was also agreed that it would be useful to hold a joint deep dive session on IT and in particular cyber security at the November joint session with the Finance and Resources Committee.</p>	
86	<p>It was also agreed that it would be useful to have a further discussion in relation to funding body requirements and the issues.</p>	
87	<p>It was agreed that the schedule would be further considered and added to the workplan for 2021/22.</p>	<p>Action: Mrs Taylor-Holmes Autumn 2021</p>
AC/21/126 – Items to be reported to the Board		
88	<p>That the Committee recommended the Health, Safety and Wellbeing Policy 2021 to the Board for approval.</p>	
89	<p>It was agreed that the following would be reported to the Board for information:</p> <ul style="list-style-type: none"> ➤ Health and Safety update received, Annual Report received and development plan for 2021/22. ➤ Internal Audit Reports had been received and reviewed; one report remained outstanding which would be circulated to Committee members in due course. ➤ Update on audit recommendations and progress in reporting in this area. ➤ Approved the Internal Audit Strategy and Annual Plan 2021/22 ➤ Approved the External Audit Plan and had noted that there was likely to be some financial and resource implications in relation to the change of rules around reliance on ESFA data. ➤ The Committee had reviewed the Risk Register and reviewed the changes to the register. ➤ Approved the Fraud and Irregularity Policy ➤ Approved the Risk Register and agreed that this would be presented to the Board for information, particularly in relation to risk appetite. ➤ Received and reviewed the schedule of Policies for consideration by the Board and its Committees and the Annual Report. ➤ Considered and agreed a schedule of deep dives for the Committee during 2021/22. 	

Min. No	Minutes	Action
90	<p>AC/21/127 – Dates of Future Meetings</p> <p>Prior to the Board meeting – 21 October 2021, 4.00pm (single item – external auditor appointment)</p>	
91	<p>AC/21/128 – Meeting in absence of Management</p> <p>Mr Creed commented that the work was being finalised on the Mock Audit which was due. The report would be finalised and reviewed in due course and circulated to Committee members. It was noted that the area was more complicated than the 16-19 funding.</p>	

Signed as a true and accurate record

Rachel Court

21 October 2021

Chair

Date