

CALDERDALE COLLEGE AUDIT COMMITTEE MEETING

Minutes of the Meeting held on 23 March 2023 via MS Teams at 5.00pm.

Present:

Rachel Court	External Governor (Chair)
Katherine Disley	External Governor
Jenny Grainger	External Governor
Chris Reeve	Co-opted Governor

In Attendance:

Andrew Harrison	Vice Principal - Corporate Resources (from AC/23/102)
Greg Scully	Observer
Patrick Clark	ICCA (left after item AC/23/115)
Richard Lewis	RSM (left after item AC/23/115)
Jane Taylor-Holmes	Clerk

Agenda: There were no items of other business.

Min. No	Minutes	Action
	AC/23/101 - Meeting in the absence of Management	
1	Mrs R Court, External Governor and Committee Chair explained that this session provided an opportunity for internal and external audit colleagues to provide any feedback in the absence of management.	
2	Mr P Clark, ICCA confirmed that all was progressing well in relation to the internal audit plan the there was a good relationship established with Mr A Harrison, Vice Principal – Corporate Resources.	
3	Mr R Lewis, RSM confirmed that all external audit work had been completed and the annual financial statements submitted on time. Mr Lewis confirmed that there was a good working relationship with Mr Harrison and the Audit Committee.	
	AC/23/102 - Apologies for absence	

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4	Committee members noted that Richie Dunk, External Governor had resigned from the Audit Committee and Adrian Furness, External Governor had resigned from the Corporation and the Audit Committee due to work commitments.	
5	There were no apologies, all members were present.	
6	Committee members welcomed Mr G Scully as observer to the meeting.	
	<p>AC/23/103 – Confirmation of eligibility, quorum and declarations of interest</p> <p>7 No notice had been received of any member becoming ineligible to hold office. The meeting was quorate. There were no declarations of interest in agenda items.</p> <p>8 Mr P Clark ICCA, expressed an interest in item AC/23/116, it was noted that Mr Clark and Mr Lewis would leave the meeting before the discussion of this item.</p>	
	<p>AC/23/104 – Minutes of previous meetings</p> <p>9 Resolved – The minutes of the meeting held on 24 November 2022 were approved as a true and accurate record.</p> <p>10 Resolved – The minutes of the joint Audit Committee and Finance & Resources Committee meeting held on 24 November 2022 were approved as a true and accurate record.</p>	
	<p>AC/23/105 – Matters Arising</p> <p>11 It was agreed that the action in relation to the reference to Policies (AC/21/148) would be removed from the matters arising matrix. All those who were responsible for providing Annual Reports to the Committees would be informed of the requirement.</p> <p>12 The ESFA mock funding audit (AC/22/139) was on the agenda for consideration.</p> <p>13 Mrs Taylor-Holmes explained that Mr A Wright, External Governor had been appointed as the Health and Safety Link Governor and had received the Health and Safety update and provided some feedback and comments.</p>	<p>Action: Mrs Taylor-Holmes June 2023</p>

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14	It was agreed that work would be undertaken to more formalise the relationship between Mr Wright and the Committee in relation to Health & Safety and the Board. It was agreed that Mrs Taylor-Holmes would progress this action with Mr Wright.	Action: Mrs Taylor-Holmes / Mr A Wright June 2023
15	All further matters arising from previous meetings were completed, for completion at a future meeting date or on the agenda for discussion.	
	<p>AC/23/106 – Health and Safety update</p> <p>16 Mr Harrison provided the Health and Safety update.</p> <p>17 Committee members commented that it was pleasing that Mr Wright had attended TEC and held a meeting with Mr Harrison and Mr Newall, Health and Safety Manager, Committee members noted the key observations recorded within the report.</p> <p>18 There had been an action agreed that additional information would be provided to ensure that the distinction between accidents and incidents is recorded in future reports.</p> <p>19 Mrs J Grainger, External Governor asked about the comment in the report under item 4; that 'in general' the workshops were well managed... Mr Harrison agreed that further information would be provided to explain where there were challenges and the actions identified to support compliance.</p> <p>20 Mr Harrison referred to the comments in the report in relation to the Lead Governor role. Further information had been provided in relation to what the Lead Governor role might include providing Governor insight into the Health and Safety Policy and Annual Report, at least one site visit and meeting along with reporting on Health and Safety training.</p> <p>21 A number of very helpful suggestions and actions had been identified including; more senior leadership management of health and safety, more visibility for auditors, review of student induction and a greater emphasis on near miss reporting.</p> <p>22 Mr C Reeve, Co-opted Governor asked whether mental health first aid was reported anywhere else. It was noted</p>	Action: Mr Harrison June 2023

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23	<p>that the report confirmed that 16 members of staff had received the training. It was agreed that the report would be reviewed to ensure that further information was provided on the role of the Mental Health First Aiders.</p>	<p>Action: Mr Harrison June 2023</p>
24	<p>Committee members commented on the eight assaults reported and asked whether there was any trends or features.</p>	
25	<p>Mr Harrison confirmed that he had reported through to Governors that there had been a number of violent incidents in the first term. Action had been taken in increase security presence. The two very serious incidents had involved the Police and further action had been taken. Term 2 had been much calmer and fewer incidents. Mr Harrison provided further information in relation to the serious incidents which had occurred.</p>	
26	<p>In relation to fire alarm activation, Committee members noted that this was deliberate act by a student who had been disciplined.</p>	
27	<p>Resolved: Committee members noted the Health and Safety update</p>	
28	<p>AC/23/107 – Business Continuity update</p> <p>Mr Harrison provided an overview over the work being undertaken in relation to business continuity. It was noted that this was the first of such reports and had been provided in response to a request from the Committee.</p>	
29	<p>Mr Harrison commented that there was now a clear Business Continuity Policy and a Group which met on a termly basis to consider business continuity issues.</p>	
30	<p>The College was heavily involved in the silver and gold partnerships in the local area with the Council and had representation at both sets of meetings. Both gold and silver partnerships were involved in a simulation of an incident to develop a multi-agency response to fake incident. This was hosted at the College and was a full day of responding and working together in collaboration.</p>	
31	<p>Mr Harrison commented that the exercise has been very positive and had resulted in improved relationships between the participants.</p>	

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	<p>The Business Continuity Policy had been devised by the Business Continuity Group and included how the College graded incidents and the approach to be taken.</p>	
32	<p>Committee members noted the approach taken to grading and the persons involved.</p>	
33	<p>One key arrangement was in relation to IT disaster recovery and cyber security plans. Although, the College was aware of the need to invest in infrastructure, cyber security was good and cyber essentials accreditation was in place. The</p>	
34	<p>protocols for cyber recovery had been reviewed by internal audit.</p>	
35	<p>Staff and students were inducted and received regular training on lockdown in the event of a hostile intruder. Following significant training, a drill was completed on the on 11th January. Mr Harrison confirmed that there is a separate alarm (to the fire alarm) to alert staff and students to the lockdown incident. Mr Harrison explained that there were some incidents of non-co-operation from students, which had been addressed. There were also a few logistic issues around how loud the alarm was and doors that didn't lock, these issues had been identified and rectified and the drill was very helpful.</p>	
36	<p>In the event of other issues which may impact business, Mr Harrison confirmed that the College did have inclement weather procedures in place, which had been effectively implemented when there was heavy snow at the beginning of March; the procedures had helped with decision making and rapid action.</p>	
37	<p>Mr Reeve asked about the top four risks in the introduction of the Business Continuity Planning documents and for further clarification around media crisis communications. It was noted that this was reputational and linked to media challenges in the case of an incident.</p>	
38	<p>Mrs Court asked whether media training had been provided to the senior leadership team, it was agreed that this would support the team to respond to the media. Mrs Court also commented that it would be very useful to have some example media and press releases around themes and it was agreed that pre-planning and stock materials would be useful.</p>	<p>Action: Update - Mr Harrison June 2023</p>
39	<p>Mrs K Disley, External Governor asked whether there were robust plans in place beneath the overarching plan.</p>	

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40	Mr Harrison confirmed that there was a Media Communications Policy to support the Plan. More detail would be developed over the coming weeks and months.	Action: Update - Mr Harrison TBC
41	There was a discussion around some of the matters for consideration including; ensuring that there was a member of staff responsible for maintaining the lists of contact details, the development of a note taker role who would need specific training to ensure that all items are appropriately captured.	
42	It was agreed that it would be worthwhile to build into planning more scenario planning to test different parts of the plan and practicalities of the plan.	
43	It was agreed that a range of supporting documentation was needed underneath the plan. Further updates would be provided to assure the Committee that the appropriate structure was in place.	
44	Resolved: Committee members noted the Business Continuity update	
AC/23/108 Internal Audit Reports		
45	Mr P Clark, ICCA provided the internal Audit Reports.	
46	In relation to the FECTF Estates Capital report; Mr Clark commented that this was the first half of the report covering RIBA Stage 1-4, there would be further feedback after RIBA stage 5. A substantial assurance opinion had been provided. Evidence modelling, had been conducted and Jonathan Creed, ICCA had sat in on a Stage 4 project management meeting. There was good evidence and work being undertaken. There was one advisory recommendation in relation to the College establishing a working group to include Governors to avoid delay in sign off payments which may be above the delegated limits of the senior leadership team due to the value of the project.	
47	Mr Harrison explained that the advisory recommendation would be considered by the Finance and Resources (F&R) Committee at the meeting on 31 March, with the suggested that the Chair of Board and Chair of the F&R Committee have a delegation to sign off under Chairs action. It was noted that at the height of the project, monthly spend would around £400,000, which was significant above the £75,000 delegated authority for Principal and Mr Harrison. The F&R	

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48	Committee would consider review this and recommend the approach to be taken to the Board.	
49	In relation to the ESFA mock Funding Audit, it was noted that this replicated the approach taken by the ESFA. Reasonable assurance had been provided with eight recommendations. Mr Clark commented that the errors identified and the recommendation were fairly typical for other Colleges and most related to apprenticeship provision. This was due to the complex nature of the detail of the apprenticeship funding rules. Mr Harrison explained that the College was trying to reduce the number of recommendations and, as part of future reviews, the internal audit service would look at some of the processes to look to improve compliance.	
50	Committee members were referred to section three; all recommendations were reviewed; four medium and three low along with one advisory. Committee members noted the summary of findings and the recommended action; it was noted that the actions had been discussed with management and timescales for implementation accepted. Many actions had already been implemented as they were due by March 2023.	
51	The errors identified were mostly in relation to the collection of data / administration errors; mainly off the job and achievement issues which may result in funding issues, the rest would be administrative errors which may result in a management letter.	
52	Mrs Grainger asked whether the new digital apprenticeship system would resolve many of the issues identified. Mr Harrison confirmed that this was the intention. Committee members discussed the recurring themes in relation to apprenticeships and it was agreed that AH – Management are just as frustrated by the results. ICCA had very kindly identified where there had been repeats of errors in the year and these had been resolved. Senior management were undertaking a full review of apprenticeships to introduce consistency and move away from a paper-based approach. End to end software was being reviewed along with more management checking of information and a series of checklists.	
53	When asked about the timescale for implementation of the digital system, Mr Harrison confirmed that the F&R Committee was being asked to approve the recommendation in relation to provider at the meeting on	

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54	<p>31 March with the aim of getting the system in place by 1 August in time for the new apprentices, need to ensure that with continuing students, data is transferred completely and accurately.</p> <p>Committee members commented that it would be useful for ICCA to provide further a quantification of the funding errors and areas to ensure that those are areas of focus.</p>	<p>Action: ICCA June 2023</p>	
55	<p>It was noted that work was to be undertaken with internal auditors to have more of a process review to try and identify weaknesses. The importance of not automating poor processes was noted. it was further noted that targeted training would be provided on the new system and when identified additional training on process.</p>		
56	<p>It was agreed that a more substantial review would be considered when the internal audit provider could review the new process.</p>		
57	<p>In relation to the Income Diversification Strategy review it was noted that this was an advisory report. This was another important area of risk.</p>		
58	<p>Mr Clark explained that the Advisory review didn't carry an opinion. Mr Harrison commented that an infrastructure had been within the College, which had historically operated in silo, now contracts were coming to an end, there was a need to develop some strategies to fill gaps and use infrastructure across the College. There were plans in place to review the staffing and review the strategy and financial plan in the Summer.</p>		
59	<p>No advisory recommendations had been provided at this stage.</p>		
60	<p>Mr Harrison assured Committee members that plans were developing to replace income. At the end of the ESF funding, there would be a change to the income profile. The current plan was to restructure the areas and to increase contribution.</p>		
61	<p>Resolved: Committee members received the Internal Audit Reports.</p>		
62	<p>AC/23/109 – Audit Recommendations and Actions</p>		

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63	<p>Mr Harrison provided an overview of progress towards the agreed actions arising from Internal and other Audit reports.</p>	
64	<p>Only two actions had not been implemented and were beyond their completion date. Mr Harrison explained that with the IT infrastructure changing significantly, it had been suggested that the actions would be implemented when network changes have been completed. It was agreed that a greater benefit would be gained from testing the new environment.</p>	
65	<p>The latest date for completion was July 2023.</p>	
66	<p>Mr Harrison explained that new firewalls were now in place and the College would be in a position to test and hopefully complete by the June 2023 meeting.</p>	
67	<p>Committee members agreed with the approach to defer.</p>	
	<p>Resolved: The Committee noted the progress in relation to Audit recommendations.</p>	
	<p>AC/23/110 – Review of External Audit</p>	
68	<p>Mr Harrison confirmed that RSM had been asked to complete a self-assessment in relation to performance for discussion at the Committee.</p>	
69	<p>Mr Harrison explained that there were some challenges in September and Mr Lewis had to bring in new Colleagues. Mr Lewis explained that there was a training programme in place for staff, including on amendments following the ONS reclassification.</p>	
70	<p>Mr Lewis explained that in planning of the year ahead, the member of staff working with the College would be identified and there will be a plan in place for what element was being reviewed when.</p>	
71	<p>It was noted that 2021/22 was RSM’s first year in the College and the second year should be easier. Mr Lewis welcomed feedback in relation to the training of the team.</p>	
72	<p>Committee members noted the positive assessment against the performance indicators.</p>	
73	<p>It was agreed that there would be an indicator added in relation to value added services such training, industry</p>	

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74	<p>insights and proactive ideas for improvement. It was agreed that Mr Harrison and Mr Lewis would develop the wording of the indicator.</p> <p>Resolved: The Committee noted the performance against the key indicators in 2021/22 and approved the indicators to 2022/23 subject to the inclusion of the indicator in relation to value add.</p>	<p>Action: Mr Harrison / Mr Lewis – update June 2023</p>
75	<p>AC/23/111 – Review of Internal Audit</p> <p>Mr Clark commented that the key indicators were similar to key indicators upon which performance was reported within the Internal Audit annual report.</p>	<p>Action: Mr Harrison / Mr Creed – update June 2023</p>
76	<p>Committee members noted the positive assessment against the performance indicators.</p>	
77	<p>It was agreed that a value-added indicator would be added to the review of Internal Audit indicators.</p>	
78	<p>Resolved: The Committee noted the performance against the key indicators in 2021/22 and approved the indicators to 2022/23 subject to the inclusion of the indicator in relation to value add.</p>	
79	<p>AC/22/142 – Schedule of Policies</p> <p>Mrs Taylor-Holmes provided the update and referred to the information included about Policy approval.</p>	<p>Action: Quality Team June 2023</p>
80	<p>Mr Reeve asked how often Policies were renewed and whether there was a risk-based approach. Mrs Taylor-Holmes explained that some Policies were annually reviewed such as safeguarding and others reviewed on a two- or three-year cycle depending on the subject area and risk. There was the obvious caveat that should there be any legislative changes which would mean that amendment was required, Policies would be reviewed. Where the College had issues or there was an emerging risk or there was a requirement to review policies to ensure that fit for purpose, policies would be reviewed such as the Student Discipline Policy.</p>	
81	<p>There was a significant discussion around ensuring compliance with Policies. It was suggested that an annual checklist is provided to Policy Authors to review and provide a statement around compliance. It was agreed that this would be considered further. It was noted that</p>	

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82	there were indicators to suggest compliance such as, in relation to HR policies, the number of staff grievances or employment tribunal claims. It was noted that the F&R Committee received a HR update which provided such information.	<p data-bbox="1209 920 1414 1003">Action: Mrs Taylor-Holmes June 2023</p> <p data-bbox="1209 1182 1358 1265">Action: Mr Harrison June 2023</p>
83	Committee members discussed the staff appraisal process, it was noted that the internal audit had been undertaken and assurance on progress would be provided to the F&R Committee at the meeting on 31 March.	
84	In response to a question about the communication of changes in relation to Policies; Mr Harrison explained that Policy owners were under a duty to provide updates on the changes to staff and training when required. An example would be in relation to recent communications and training on the new Data Protection Policy.	
85	It was agreed that an update on those Policies which were beyond the date for approval would be provided to the next meeting.	
86	In relation to the impact of the ONS reclassification; Policies in relation to redundancy would be reviewed and special payments over a certain value along with banking arrangements. It was agreed that a summary note around implications of the change following the reclassification would be provided to the Corporation.	
87	Mr Lewis confirmed that RSM had provided a useful summary article on ONS reclassification and the Government had published some bitesize guides.	
87	Resolved – Committee members approved the report.	
	<p data-bbox="303 1525 834 1559">AC/23/113 – Risk Management</p> <p data-bbox="303 1592 1007 1626">Risk Management Annual Report 2021/22</p> <p data-bbox="220 1671 1082 1738">88 Mr Harrison presented the Risk Management Annual Report 2021/22.</p> <p data-bbox="220 1771 1110 1839">89 Mrs Court referred to text added in red in response to requests from the Committee at the last meeting.</p> <p data-bbox="220 1872 1070 1939">90 Resolved; Committee members approved the Risk Management Annual Report 2021/22</p>	

Min. No	Minutes	Action
Risk Register		
91	Committee members were presented with the full risk register for review.	
92	There was a significant discussion around the determination of risk appetite in relation to individual risks and how assess against how the College was currently rating against risk appetite for each of the risks to track and inform decision making about whether the College was in line with the risk appetite.	
93	It was agreed that this would be developed further and considered at the next Committee meeting.	Action: Mr Harrison June 2023
94	Mr Harrison explained that risk rating of impact in reduction in public expenditure and failure to achieve planned income had been reduced as things externally had become a little more certain than in November; some of the challenges were less prominent. There was some concern about the continuation of some of funding streams such as funding for the teachers' pension scheme and tuition fund income however, these were now secured.	
95	There had been a discussion around risk at the Governor Development Day and members of the Curriculum, Quality and Standards (CQS) Committee had reviewed the risks allocated to the Committee. A number of new risks had been identified and discussed by the CQS Committee at the meeting on 16 March. The CQS Committee had accepted the risks and that work would continue to fully review the risks.	
96	It was agreed that consideration would be given to whether there would be a more explicit focus on the top 10 risks and action plans to prioritise attention for Governors.	Action: Mr Harrison June 2023
97	It was agreed that the risks associated with ONS would be added to the risk register	Action: Mr Harrison June 2023
98	Committee members reviewed risk C10 and the risk appetite and whether the residual risk is sufficient to make outside of appetite.	
99	Mr Harrison explained that there may be required more clarity of the risk description. The risk was rated red as the	

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100	<p>College was not getting everything right all of the time, however, there was no impact on funding.</p> <p>It was agreed that Mr Harrison would consider the risk scoring and the risk description, particularly when reviewing the residual risk. It was agreed that this would be rescored and presented to the Corporation. It was agreed that the risk should be graded as amber, particularly taking into account the internal audit report.</p>	<p>Action: Mr Harrison Amber 2023</p>
101	<p>Resolved; Committee members noted the content of the Report.</p>	
102	<p>AC/23/114 External Assurance Report</p> <p>Mr Harrison presented information on three Article 125 on the spot verification visits on the DWP Business Scale up, Apprenticeship Hub and Specialist Skills projects.</p>	
103	<p>It was agreed that the reports were good reassurance for Committee and RSM that no issues identified.</p>	
104	<p>Resolved; Committee members noted the content of the Report.</p>	
105	<p>AC/23/115 Items to be reported to the Board</p> <p>It was agreed that the following would be reported to the Board for information, the Committee had;</p> <ul style="list-style-type: none"> ➤ Received the Health and Safety update ➤ Received the first Business Continuity update report and had been pleased to see the initial work undertaken. A number of actions had been identified and an update would be provided to the next meeting. ➤ Internal Audit report progress had been noted. additional information had been requested in terms of the potential value of any funding errors identified as part of the mock funding review. ➤ Audit actions completed, very strong performance regarding level of completion, for the two which were beyond date for completion discussed the reasons for that and approved the delay in completion. ➤ Completed the review of performance for internal and external auditors and agreed key performance indicators for 2022/23 subject to inclusion of an indicator in relation to value add. ➤ Received the Schedule of Policies and Annual report 2022/23. There had been a request for an update on 	

Min. No	Minutes	Action
106	<p>those Policies which were beyond the review date at the next meeting.</p> <ul style="list-style-type: none"> ➤ Approved the risk management annual report 2022/23 which had been re-presented following the discussion at the last meeting. ➤ Reviewed the risk register and suggested a review of the risk appetite and the scoring and risk description in relation to risk C10. ➤ Received three assurance reports following an Article 125 audits. <p>It was agreed that the Committee would also feedback on the appointed internal audit firm recruited following the interview process undertaken on 17 March 2023</p>	
107	<p>AC/23/116 Internal Audit Appointment</p> <p>Committee members received the report highlighting the formal tender process undertaken and the shortlisting and interview process.</p>	
108	<p>Mr Harrison would provide feedback to the three interviewed firms on Monday 27 March.</p>	
109	<p>Resolved; Committee members approved the appointment of ICCA as internal auditors on recommendation from the interview panel. The start date was 1 June 2023.</p>	
110	<p>AC/23/117 – Dates of Future Meetings</p> <p>Audit Committee – 22 June 2023, 5.00pm</p>	

Signed as a true and accurate record

Rachel Court

22 June 2023

Chair

Date