

**CALDERDALE COLLEGE
AUDIT COMMITTEE MEETING**

**Minutes of the Meeting held on 7 June 2022 via MS Teams at 5.00pm.
Present:**

Rachel Court	External Governor (Chair)
Katherine Disley	External Governor
Jenny Grainger	External Governor (from item AC/22/120)
Chris Reeve	Co-Opted Governor

In Attendance:

Sharon Bowker	Executive Director (Finance and Funding)
Jonathan Creed	ICCA
Alex Bramley	RSM
Jane Taylor-Holmes	Clerk

Agenda: There were no items of other business.

Min. No	Minutes	Action
	AC/22/115 - Apologies for absence	
1	Apologies were received from Richie Dunk, External Governor and Adrian Furness, External Governor.	
2	Committee members welcomed Mr A Bramley, RSM to the Audit Committee.	
	AC/22/116 – Confirmation of eligibility, quorum and declarations of interest	
3	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.	
	AC/22/117 – Minutes of previous meetings	
4	Resolved – The minutes of the meeting held on 17 March 2022 were approved as a true and accurate record.	
5		

Min. No	Minutes	Action
	Mrs J Taylor-Holmes, Clerk to the Corporation explained that the section in red was commercial in confidence and would be redacted from the published minutes.	
	<p>AC/22/118 – Matters Arising</p> <p>6 In relation to the action arising from agenda item AC/22/106, Mrs S Bowker, Executive Director (Finance and Funding) confirmed that the priority for the IT team had been the roll out of the new laptops however, all actions arising from the IT Data Security Audit were on track for completion.</p> <p>7 In relation to the suggestion that Business Continuity Planning might be an appropriate area of development for the Board, this would now not be covered at the Governor Development Day in June but would be scheduled for a future Governor Development Day.</p> <p>8 Mrs Bowker explained that Andrew Wright had been appointed as the Health and Safety Link Governor, it was acknowledged that he wasn't a member of the Audit Committee; this along with the role would be considered further.</p> <p>9 Mr Bramley offered support and it was noted that RSM would provide topical information on relevant subjects. Mr Bramley explained that additional training could be provided to the Committee and Governor Development Days.</p> <p>10 All further matters arising from previous meetings were completed, for completion at a future meeting date or on the agenda for discussion.</p>	
	<p>AC/22/119 – Health and Safety</p> <p>11 Mrs Bowker provided the Health and Safety update. It was noted that in addition to the regular report, the Annual Report 2021/22 and the Development Plan 2022/23 were provided.</p> <p>12 Mrs Bowker referred Committee members to page 17 of the report and the breakdown of accident / incident reports. It was noted that had been a RIDDOR incident within the period. An action plan was in place to ensure that all staff were aware of how to use the walk-in fridge and freezer.</p>	

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13	It was noted that near miss reporting remained challenging. The College was moving to an online reporting system to support the near miss reporting.	
14	Mr C Reeve, Co-opted Governor asked about mandatory training compliance and how this was monitored. Mrs Bowker explained that HR provided the SLT with a monthly report which included information about starters and leavers and non-compliance with mandatory training. HR were responsible for ensuring that staff were reminded of the requirements about training, when this was due and those who did not complete the training were asked to do so through the management structure.	
15	Mrs Bowker explained that staff who had not completed the training this would be those staff on maternity leave or long-term sickness absence. Health and Safety Annual Report 2021/22 and Development Plan 2022/23.	
16	The Executive Summary provided a summary of key actions completed in 2021/22.	
17	Mrs Bowker referred to the report and the work undertaken during 2021/22 to respond to the COVID-19 pandemic. The report also referred to the work undertaken to visit workplaces to ensure learners were safe and work experience students were supported.	
18	It was agreed that the people section within the Development Plan would include reference to developing the Health and Safety Link Governor role and how this would link to Audit Committee and the Board.	
19	It was agreed that it remained important to challenge and review the accreditation from ROSPA to see if there were other suitable accreditations available.	
20	Mr Reeve asked about near miss reporting featuring in the Development Plan 2022/23. It was agreed that this would be included within the operational section of the plan to ensure that monitoring would continue and trends would be reviewed. The update would also reference the online reporting.	
21	Resolved: Committee members noted the Health and Safety update and it was agreed that the Health and Safety Annual Report 2021/22 and the Development Plan 2022/23	Action: Mrs Bowker / Mrs Taylor-Holmes

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	would be presented to the Board meeting on 14 July, subject to amendment agreed above.	July 2022
	<p>AC/22/120 Internal Audit Reports</p> <p>22 Mr J Creed, ICCA provided the internal Audit Reports.</p> <p>23 In relation to the Sub-Contracting Certificate (External Assurance) review; the annual external review on subcontracting, Mr Creed referred to section 2 of the report and explained that main differences between ESF and ESFA reporting.</p> <p>24 Mr Creed referred to the recommendations within the report and provided further information on the recommendation.</p> <p>25 In relation to section 3.4 of the report, spot checks were due to commence along with face to face interviews with staff and learners to provide quality assurance checks. It was noted that this had been delayed due to COVID.</p> <p>26 Mrs Bowker confirmed that the College had already completed the certificate for submission to the ESFA and this would be submitted to the ESFA within the time limit.</p> <p>26 In relation to the risk around Project Challenge. Mrs Bowker explained that this related to a particular issue and there was a requirement to request permission from the ESFA to support this. The College was aware of the risk but this was being offset against the need for the provision in the local area.</p> <p>27 In relation to the Student Journey – Enquiry to enrolment audit. Mr Creed explained that this was focused on 16–18-year-olds and had provided a reasonable level of assurance. Mr Creed referred to section 2.3 and the areas for improvement. In relation to the variation in withdrawal rates within the first six weeks and the entry service, 68% had reported insufficient information and clear course timetable from the College had contributed to learner withdrawal. It was noted that rates were different for different areas.</p> <p>29 Mrs Bowker commented that feedback from learner surveys had been useful and that a Recruitment group had been established to review the issues and remodel the process of intervention from enquiry to enrolment.</p>	

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30	The College was starting to see the potential link between the decline and changes in conversions and the learner surveys, it was hoped that when the position was reviewed, improvements would be seen in the follow up.	
31	Mr Creed referred to the recommendations within the action plan and the clear management responses. It was noted that the actions were due to be completed before the new academic year.	
32	Mrs Bowker commented that the College was aware that there appeared to be a disproportionate number of withdrawals as compared with the sector and had experienced some difficulties through COVID. Mrs Bowker explained that the Recruitment working group didn't previously have an SLT lead. Mr E Dockrat would be reporting into SLT on this matter. There were more frequent and focussed meetings planned with reporting.	
33	It was noted that recruitment figures would be reported to the September Governor Development day and that retention would continue to be monitored in the Autumn term.	
34	In relation to the ESFA Mock Funding Audit, Mr Creed commented that the report was in draft at the moment. The report mirrors the way that the ESFA complete a funding review. Mr Creed commented that a reasonable level of assurance overall was provided in the draft report.	
35	Mr Creed explained that there were eight recommendations in total; one medium and seven low priority.	
36	Mr Creed referred to section 2.3 of the report which summarised the recommendations. The number of recommendations were disproportionately high with apprenticeships which was usual in the sector. Apprenticeships rules were the most complex and regularly changing and rely on employers to participate in the completion of the paperwork.	
37	It was noted that the ESFA had recently released new guidance in relation to apprenticeships.	
38	Mr Creed explained that the most common issue was the 20% off the job requirement. New legislation from 1 August would see the moving away from 20% to a flat baseline requirement of six hours per week in recognition that this was a difficult area for colleges and employers.	

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39	Mr Creed commented that the areas of focus should be on eligibility, existence and continued participation and the record keeping, evidence and reviews to support this.	Action: Mrs Bowker / Mrs Taylor-Holmes June 2022
40	Mr Bramley commented that in the sector, most issues found were in documentation and that this was common however, it was important to ensure that the correct documentation was in place and that the learners were periodically assessed and continuing in learning.	
41	It was agreed that the final audit report would be provided to Audit Committee members.	
42	Resolved: Committee members received the	
	AC/22/121 – Audit Recommendations and Actions	
43	Mrs Bowker provided an overview of progress towards the agreed actions arising from Internal and other Audit reports.	
44	It was noted that one action was significantly overdue and that this had been escalated to the Vice Principal Curriculum, Quality & Student Services to ensure that the action is completed. It was noted that completion had been impacted by long term sickness absence.	
45	It was also noted that the actions remain subject to ratification by ICCA when the follow up is completed in June / July 2022. Following the review, the actions would be removed from the report.	
46	Mrs Bowker explained that the outstanding action concerned bursaries and the requirement to ensure that documentation, receipts etc. were provided. It was planned that the system would be updated and an electronic solution introduced. It was currently planned to resolve the matter by the commencement of the new academic year.	
47	Resolved: The Committee noted the progress in relation to Audit recommendations.	
	AC/22/122 – Internal Audit Strategy & Annual Plan 2022/23	
48	Mrs Bowker explained that an initial meeting had been held between Mr Creed, Mrs Court, Mrs Taylor-Holmes and herself to discuss the approach taken, the plans within the	

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49	College and the areas of high risk where support may be needed.	
50	A number of other areas were considered however, the overall conclusion was that the focus needed to be on areas where there was less external assurance available.	
51	There had been a discussion in relation to cyber security and board effectiveness and the plans in place and the approach to be taken in other areas was detailed within section 2 of the report.	
52	Mr Reeve commented on the positive plan and the helpfulness of having the background as to what was being considered within the report. Committee members reviewed the table on page 137 and the two rows where there were no comments about completion of audits. In relation to those two areas, Mrs Bowker confirmed as follows; Apprenticeships (risk 10) and Higher Skills Strategy (Risk 2,4) were looked at before 2019/20; apprenticeships were now within the ESFA mock funding audit and covered with other areas covered by risk 10. Assurance on the higher skills strategy and assurance would be removed from the plan. It was noted that the Higher Skills strategy would be considered through the income diversification review.	
52	Resolved – Committee members approved the Internal Audit and Annual Plan 2022/23.	
	<p>AC/22/123 – Financial Statements Audit Plan for Year Ended 31 July 2022</p> <p>53 Committee members received the Audit Plan for year ended 31 July 2022.</p> <p>54 Mr Bramley referred to the audit timings on page 152 and the pre year end work to be completed in July / August. It was noted that the timetable had allowed for pre-work to take place before the Audit to provide some additional knowledge about the College and the processes in place.</p> <p>55 A two-week period for audit fieldwork would take place in September / October and there was some flexibility as to whether this would be conducted remotely onsite or as a mix.</p> <p>56 Mr Bramley confirmed that RSM would be in attendance at the joint Audit and Finance & Resources Committee</p>	

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56	<p>meeting on 24 November to present the draft Financial Statements.</p> <p>Committee members were referred to page 153 of the papers and the audit risk summary and approach to be taken. It was noted that the fees were the same as communicated in the tender.</p>	
57	<p>Mr Bramley referred to emerging issues at page 162 onwards within the report. In particular the 2022 College Accounts Direction referred to new reporting requirements in relation to the requirement to report activities undertaken over the year to develop the Governors and Clerk. In addition, the College must now to prepare a report on regularity, propriety and compliance where previously this was a 'should' requirement.</p>	
58	<p>Committee members asked about the development of the relationship and Mrs Bowker commented that RSM had provided useful support in relation to options for leasing as opposed to purchasing computer equipment. There was more interaction with RSM and Governors were encouraged to hear relationship developing well.</p>	
59	<p>In relation to the going concern assessment, it was noted that the budget would be submitted to SLT for review then to the Finance and Resources Committee on 1 July for scrutiny before the Board on 14 July.</p>	
60	<p>It was noted, in relation to the commentary, to refer to the challenges in the 2022/23 year; areas of risk and mitigation in reference to inflation would be included. It was noted that energy costs were fixed until October 2023 but would be referenced in the three-year plan.</p>	
61	<p>Resolved: Committee members approved the Financial Statements Audit plan for Year Ended 31 July 2022.</p>	
62	<p>AC/22/124 Risk Management</p> <ul style="list-style-type: none"> • Risk Register <p>Mrs Court explained that the Audit Committee meetings were usually held at the end of the Committee cycle; after the other Committees had met and considered the risks allocated to their committees.</p>	

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63	It was noted that the updated Risk Register would be presented to the Board and would be copied to Mr Reeve as Co-opted member of the Board.	Action: Mrs Bowker / Mrs Taylor-Holmes July 2022
64	Mrs Bowker referred to the new risk that had been added around the recruitment to the Principal position. It was suggested that this risk be broadened to cover the senior leadership team and turnover. It was noted that the Board had agreed to the COVID risk and this risk had now been removed.	
65	Environmental sustainability had been added as a new risk.	
66	It was agreed that a cover paper would be provided to the Board identifying the key changes.	Action: Mrs Bowker July 2022
67	The extract for the risks overseen by the Audit Committee was reviewed. There were no amendments suggested to the scoring.	
68	Committee members asked for feedback from RSM in relation to the risk register relative to others in the sector. Mr Bradley commented that the risk register appeared robust and there was a focus on cyber security. It was expected that this would be a constantly evolving section on the risk register, any further comments would be sought from Mr Lewis.	Action: Mr Lewis November 2022
69	RSM: Analysis of Education Risk Registers - Committee members agreed that the additional paper on risk registers in the sector was very helpful. It was agreed that this would be very useful in considering hot topics, area for deep dives or to start discussion in areas for Governor Development days or broader discussion. Committee members thanked RSM for sharing the document. It was agreed that it was useful to receive the additional paper in advance of the meeting to allow consideration.	
70	Resolved; Committee members approved the items on the risk register and no updates / comments were suggested.	
	AC/22/125 Policies <ul style="list-style-type: none"> • Health & Safety Policy 2022/23 	

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71	Mrs Bowker explained that the reference to Wellbeing had been removed from the Policy as the College already had a Mental Health and Wellbeing Policy.	
72	Mrs Bowker referred to p243, and the reference to near miss reporting.	
73	It was agreed that the Mental Health and Wellbeing Policy would be referenced at 4.2 as a linked Policy.	
74	Resolved: Committee members recommended the Policy to the Board for approval.	
	<ul style="list-style-type: none"> • Risk Management Policy 2022/23 	
75	Resolved: Committee members approved the Risk Management Policy 2022/23.	
	AC/22/126 Deep Dive Proposals for 2022/23	
76	Committee members considered the deep dives held in recent years.	
77	It was agreed that an IT deep dive would be held jointly with the Finance & Resources Committee at the November meeting.	<p style="text-align: center;">Action: Joint meeting November 2022</p>
78	It was agreed that further consideration would be given to the schedule as part of discussion at the September Governor Development day taking into account the RSM document on risk registers.	<p style="text-align: center;">Action: Governor Development Day September 2022</p>
	AC/22/127 Items to be reported to the Board	
79	Items to be recommended to the Board for approval; <ul style="list-style-type: none"> • Health and Safety Policy 2022/23 	
80	Items to be provided to the Board for information; <ul style="list-style-type: none"> • Health and Safety Annual Report 2021/22 and Development Plan 2022/23 	
81	It was agreed that the following would be reported to the Board for information: <ul style="list-style-type: none"> ➤ Health and Safety update had been received. ➤ Internal Audit Annual Reports on Sub-contracting (External Assurance) for submission to the ESFA. ➤ Internal reports on Student Journey – Enquiry to Enrolment had provided Reasonable Assurance and the 	<p style="text-align: center;">•</p>

Min. No	Minutes	Action
	<p>draft ESFA Mock Funding Audit had also provided Reasonable Assurance.</p> <ul style="list-style-type: none"> ➤ Progress against Audit recommendations remained good with action being taken to address the one outstanding action. ➤ Received and approved the Internal and External Audit Plans. The internal audit plan had been amended to include income diversification. ➤ Reviewed the risk register and confirmed no changes were required to the scoring of the risks allocated to the Audit Committee and noted new risks added. ➤ Approved the Risk Management Policy 2022/23. 	
82	<p>AC/22/128 – Dates of Future Meetings</p> <p>Audit Committee – 24 November 2022, 23 March 2023, 22 June 2023</p>	
83	<p>AC/22/129 Meeting in the absence of Management</p> <p>No issues identified.</p>	

Signed as a true and accurate record

Rachel Court

24 November 2022

Chair

Date