



**CALDERDALE COLLEGE  
AUDIT COMMITTEE MEETING**

**Minutes of the Meeting held on 1 July 2024  
via MS Teams at 5.00pm.**

**Present:**

Rachel Court	External Governor (Chair)
Richie Dunk	External Governor
Greg Scully	External Governor
Chris Reeve	Co-Opted Governor

**In Attendance:**

Andrew Harrison	Vice Principal – Corporate Resources
Jonathan Creed	ICCA
Richard Lewis	RSM
Elizabeth Smith	Head of Executive Support (acting as Clerk)

***Agenda: There were no items of other business.  
The meeting was recorded.***

Min. No	Minutes	Action
1	<b>AC/24/118 - Apologies for absence</b> Apologies were received from Mrs Jenny Grainger (External Governor), Mr Martyn Stone (External Governor), and Mrs Jane Taylor-Holmes (Clerk).	
2	<b>AC/24/119 – Confirmation of eligibility, quorum and declarations of interest</b> 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.	
3	The Committee expressed gratitude to Mr C Reeve, Co-Opted Governor at his final Audit Committee meeting, and noted their thanks and appreciation for his support and professional advice throughout his tenure.	
4	<b>AC/24/120 – Minutes of previous meetings</b> <b>Resolved</b> - The minutes of the meeting held on 21 March 2024 were approved as a true and accurate record.	

Min. No	Minutes	Action
	<b>AC/23/121 – Matters Arising</b>	
5	Committee members reviewed the matters arising matrix and the comments made in relation to progress.	
6	All further matters arising from previous meetings were completed, for completion at a future meeting date or on the agenda for discussion.	
	<b>AC/24/122 – Health and Safety Update</b>	
7	Mr Harrison provided the Health and Safety update, highlighting good progress made. Mr Harrison gave specific mention of the transition to the new management arrangements now in place and the confidence this new structure provides.	
8	Mr Harrison referred to the Independent Review and the detailed report received. Progress against individual recommendations is being recorded on a tracker, which will be shared and discussed with Mr M Stone in his capacity as H&S Link Governor.	
9	Key areas to note are the progress in the areas 3 critical issues: <ul style="list-style-type: none"> <li>- Dust control</li> <li>- Lifting equipment for motor vehicle</li> <li>- Management of H&amp;S and how organise ourselves</li> </ul>	
10	Further progress has been made with the Risk Assessment process and associated training.	
11	Curriculum colleagues (including workshop technicians) are working closely with H&S colleagues to clarify responsibilities and adjust the approach to ownership of H&S issues and processes.	
12	Mr Veltman added that the discussion process had been useful in supporting a culture shift towards H&S responsibilities within curriculum areas.	
13	Mr Harrison confirmed activity was now taking place with a view to the delivery of a new set of Risk Assessments across all areas for the commencement of the 2024-25 academic year.	

Min. No	Minutes	Action
14	Further to discussions at previous Audit Committee meetings, it is suggested that the External H&S Auditor should be commissioned to review progress made, and provide an assurance report to the Audit Committee.	<b>Action: Mr A Harrison, July 2024</b>
15	Mr Harrison invited questions or comments.	
16	Mr Scully queried the IOSH Safety training for Senior Leadership, in particular the date for completion of the training.	
17	Mr Harrison outlined the initial difficulties in securing a suitable date for all participants, and confirmed training was now booked for 29 August 2024.	
18	Mr Scully queried the completion of H&S visits, and in particular the comment in relation to an unlocked 'lock box'. Mr Scully questioned whether this was due to a further training requirement, or a compliance issue.	
19	Mr Veltman explained that these particular concerns had been addressed, including clarification of roles and responsibilities. A further piece of work was being undertaken to develop a suite of standard operating procedures which would support the improved working practices and clarify expectations. Additionally, a new 'Concerns & Communication Log' had been developed to improve communication within specific teams. Mr Veltman outlined the follow-up schedule now in place to ensure ongoing compliance.	
20	Mr Harrison confirmed that non-compliance would be escalated further if required.	
21	Mrs Court welcomed the greater level of ownership and queried whether this incident had been reported as a near miss. Mr Harrison agreed to investigate.	
22	Mr Reeve queried what action was being taken to address the current omissions highlighted within the Adherence to Policies section.	
23	Mr Harrison confirmed action plans had been created to monitor completion of all highlighted omissions.	
24	In terms of the number of first aiders, Mr Harrison confirmed an additional 6 new first aiders had been identified since the production of the Committee papers.	

Min. No	Minutes	Action
25	The issues regarding COSHH and Risk Assessments, were being addressed within the actions agreed following the Independent H&S Review.	<p><b>Action: Mr A Harrison, July 2024</b></p> <p><b>Action: Mr A Harrison, November 2024</b></p>
26	Mr Reeve suggested an additional risk was required to the Risk Register to highlight this issue, given the description that this was an area of 'considerable risk'.	
27	Mr Reeve shared the process he had carried out in cross-referencing the H&S Policy against the Update document, which referred to an additional 27 H&S related policies. Mr Reeve queried how the Audit Committee, in its role as having lead responsibility for H&S, would be assured that all related policies were being adhered to.	
28	Mr Harrison clarified the role of the Lead Governor for H&S, who may be able to conduct a more in-depth review against the wider policies and provide assurance to the Audit Committee.	
29	Mr Reeve queried whether the issue of prohibition or improvement notices by way of sanctions against assessments during H&S walks had been activated. Mr Reeve suggested this activity would be beneficial for reporting purposes, and would give the Audit Committee greater clarity on compliance and the practical implementation of assessments.	
30	Mr Harrison confirmed no notices or sanctions had been imposed, and in hindsight the issues within animal care may have been a suitable candidate.	
31	Mr Scully queried the number of first aiders at the College, in particular the reference made to the Sports Tutors being required to hold the First Aid certification, highlighting the importance of distribution of first aid support.	
32	Mr Harrison confirmed the number was 16 general first aiders, in addition to Sports Tutors.	
33	Mrs Court invited Mr Veltman to add any further update in relation to curriculum focused items.	
34	Mr Veltman shared his appreciation of the approach taken by Mr Harrison in his review of the H&S provision, including more robust management of processes and an improvement of culture and accountability, training and support. Mr Veltman felt there was greater clarity of roles and responsibilities.	

Min. No	Minutes	Action
35	Mr Reeve highlighted the significant positive elements of the report, and suggested the new management structure would provide even greater support to develop the reporting mechanisms further.	
36	Mr Scully supported the approach to devolve greater responsibilities and accountability into curriculum areas, supported by robust training and monitoring programmes.	
37	Mrs Court requested that H&S principles were stressed to all new employees during the induction process, with regular ongoing updates for all.	
38	<b>Action:</b> Management to consider future reporting mechanisms to ensure the broader policies are addressed.	
39	<b>Resolved:</b> Committee members received the Health & Safety Update Report.	
	<b>AC/24/123 – ESFA Assurance Audit Review 2022/23 Funding Claim</b>	
40	Mr R Lews, RSM External Auditors, joined the meeting.	
41	Mr Harrison provided an update on current progress against the ESFA Assurance Audit. <ul style="list-style-type: none"> <li>- PWC audit completed July 2023 – December 2023;</li> <li>- PWC confirmed no funding errors regarding payments;</li> <li>- Draft B3 summary received;</li> <li>- RSM sign-off of accounts on basis;</li> <li>- PWC draft Funding Audit management letter not received;</li> <li>- Contacted by ESFA notifying work subject to QA moderation process;</li> <li>- April 2024 received in excess of 40 queries relating to original data;</li> <li>- July 2024, continue to address further queries;</li> <li>- Significant number of conversations with ESFA colleagues to raise concern;</li> <li>- ESFA concern is over PWC approach and has therefore caused a complete re-audit;</li> <li>- Over 1000 apprentices from 2022-23 cohort re-audited;</li> <li>- Late withdrawals raised as an issue. Difficult to get submitted by R14 deadline. Late submissions dealt with by automatic recovery of funds. Potential £53k identified as 'funding at risk' of recovery. Awaiting clarification of figure;</li> </ul>	

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	<ul style="list-style-type: none"> <li>- Pricing raised as an issue – specifically split of pricing between delivery and end point assessment. Being seen as an emerging issue that is unclear of expected action. Difficult to be accurate with EPA price at outset of qualification. Expectation of renegotiation with employer if changes in pricing expected. Confident not claimed beyond overall total, however notification received of further 'funding at risk' of £152k;</li> <li>- ESFA keen to complete audit, then hold conversations regarding funding at risk;</li> <li>- ESFA confirmed permission to review agreements with employers to minimise impact on funding.</li> <li>- College to lead on evidence gathering process.</li> <li>- Confident PWC elements almost complete.</li> <li>- Awaiting ESFA report highlighting £53k at risk due to late withdrawals and £152k at risk for overclaim of TNP2 price. This will then form the baseline for the negotiations between the ESFA and the College.</li> </ul>	
42	Mrs Court queried the £53k liability from late withdrawals, in particular whether this formed part of normal/expected practice rather than an additional issue, and would be treated as 'business as usual'.	
43	Mr Harrison confirmed this was the case.	
44	Mrs Court noted the £152k TNP2 funding at risk, and queried whether there was potential for mitigation through the additional work.	
45	Mr Harrison confirmed this was the case.	
46	Mr Harrison reminded the Committee that the Audit covered 2022-23, and therefore some learners will have left and/or achieved. The College was still awaiting clarification of methodology from the ESFA for contact with employers of previous students. The outcome of this decision will naturally impact on the ability to address all 'at risk' cases.	
47	Mr Harrison confirmed the amount at risk was inflated due to a small number of longer- term qualifications which, if employer agreements can be resolved, could have a significant impact on reducing the level of funds at risk.	
48	Mr Lewis concurred with Mr Harrison's reflection of the audit and subsequent activity.	
49	Mr Lewis confirmed any funds highlighted as clawback will not be attributed as an accounting error for the previous	

Min. No	Minutes	Action
	year, but will instead impact on the current year's financial performance.	
50	Committee confirmed acceptance of this.	
51	Mr Lewis acknowledged that, due to effective internal management of the audit, the College had fared significantly better than others in a similar situation.	
52	Mr Lewis was hopeful of audit closure by September 2024, which would enable identification in readiness for closure of this year's accounts.	
53	Mrs Court acknowledged receipt of the report, and confidence in the further actions planned.	
54	<b>Resolved:</b> Committee members received the update.	
	<b>RSM – Funding Assurance Reviews – Common Issues, March 2024</b>	
55	Mr Lewis presented the report, identifying key themes to ensure compliance in future practices.	
56	Mr Lewis suggested an internal activity takes place to review key themes from the report to ensure compliance. The outcome of the review should be presented to the Audit Committee, along with assurance of measures to mitigate against potential problems.	
57	Mrs Court queried whether, due to the previous audit still being classed as 'live', the College was exempt from being included in the next round of audits.	
58	Mr Lewis confirmed that as no notification had been received to date, then the College should be assured it will not be included in this round of audits. However, if the College is perceived to have a higher error rate than the expected benchmark, then the ESFA reserve the right to return.	
59	Mr Lewis queried whether the College had received an error rating based on the current audit. Mr Harrison confirmed this had not been received, but assumed, based on current figures, then the College would be in excess of the 5% threshold. Mr Lewis confirmed this figure could cause an increased risk of a new audit.	

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60	<b>Resolved:</b> Audit Committee accepted the update and noted the expectation of future additional actions in relation to checking and reporting	
61	<b>AC/24/108 – Other External Assurance Reports</b> Mr Harrison reminded the Committee of the requirement to complete Article 125 Audits routinely, and until conclusion of all EU funding streams. It should be noted that there may also be the possibility of Article 127 Audits in the future (up to December 2034).	
62	<b>Skills Support for the Workforce</b> Mr Harrison provided an update on the Article 125 desk-based audit, and receipt of the conclusion letter highlighting no issues identified as part of the audit.	
63	<b>The Apprenticeship Hub (DWP)</b> Mr Harrison updated on the position in relation to outstanding confirmation with regards to the use of the Apprenticeship Levy as match funding for the programme. Mr Harrison confirmed that the College continued to await the outcome of DWP decision making process, and highlighted the current position of £295k funding on hold.	
64	Mr Harrison reminded the Committee of previous updates relating to the issue around the Collaborative Apprenticeship Fund, and confirmed £316k funding had now been received and the matter was resolved.	
65	<b>Business Scale-Up Programme</b> Mr Harrison updated on completion of all claims relating to the programme. Mr Harrison confirmed an Article 125 audit would be completed, however no notification of timescale had been received to date.	
66	<b>Resolved:</b> Audit Committee noted and accepted the update provided in relation to External Audit Reports.	
67	<b>AC/24/125 Internal Audit Reports</b> Mr J Creed, ICCA provided the internal Audit Reports.	
68	<b>HR Performance Management</b> Mr Creed explained that a conclusion of 'reasonable' level of assurance had been applied following this audit.	



Min. No	Minutes	Action
69	Mr Creed highlighted 4 recommendations, 3 of which are classed as medium priority in relation to the operation of the HR Performance System. All 4 recommendations came under the banner of compliance.	
70	Mr Creed confirmed all 4 recommendations in Section 3 of the report had been accepted and implementation dates for improvements agreed for the new academic year.	
71	3.1 - Mr Creed outlined the current practice in relation to monitoring of completed documentation against completion criteria rather than the quality of the content of the conversation held.	
72	3.2 – related to the Performance Review / Appraisal process and the key issue of timeliness of completion of reviews. At April 2024, 80% of reviews required to be completed in Autumn 2023 had been completed. Mr Creed highlighted a similar recommendation in terms of monitoring the completion and quality of reviews.	
73	3.3 – outlined the expectation of follow-on Performance Review meetings, and the lack of evidence to confirm this was taking place.	
74	3.4 – sample testing of existing staff paperwork to check completion of performance documentation had identified issues in lack of recording of activity, this included probationary and ongoing performance reviews, signature of documents, agreed actions.	
75	Whilst Mr Creed acknowledged that activity was most likely taking place, improvements had been suggested within both the quantitative review stage (checking for completion), as well as from a qualitative perspective (checking the quality of the conversation held and actions agreed).	
76	Mrs Court agreed that this had been identified as an area of need by the new Senior Leadership Team, and this report provided a valuable insight into the current position.	
77	Mr Harrison agreed with this reflection, adding that the information provided would be useful in planning the new direction of travel and align to the implementation of the new automated HR system (iTrent) which would simplify the monitoring and review processes going forward.	

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78	Mr Reeve provided an observation on the level of detail provided in the report, and the valuable insight this provided for both management and Committee.	
79	Mr Reeve raised concern over the potential for some members of staff to have had been without any form of performance review for a number of years, and queried the 80% completion of PRDs in current year and whether the College had the ability to identify whether those staff who fell into the 20% non-completion group had also experienced the same in previous years.	
80	Mr Harrison confirmed that, whilst the HR team managed an annual spreadsheet, there was currently no process for the identification of repeat cases. Mr Harrison highlighted an underlying issue in terms of span of control – in that some managers were required to conduct reviews for 25 direct reports.	
81	Mr Reeve suggested this created a significant risk and the ability to identify individuals who fell into this category would be helpful to inform future practice.	
82	Mr Harrison agreed, and shared the aim of the new iTrent system would be to drive to 100% compliance in future years.	
83	Mr Scully noted the Audit Report reference to 'compliance issues', and queried the lack of evidence against whether the Policy itself was achievable.	
84	Mr Scully referred to the number of direct reports to an individual, and whether a review may instead identify the issue as an 'unworkable procedure' which could require further consideration against achievable outcomes, in particular for those who have a significant number of direct reports.	
85	Mrs Court highlighted the additional burden termly reviews could present to those already finding difficulty in completing such a large number of reviews and queried whether consideration had been given to a review of the design of the process to accommodate this.	
86	Mr Harrison agreed with Mr Scully's observations and confirmed that the introduction of a supervisor level role was being considered to support management of performance in areas of high numbers of direct reports, as well as plans for further consultation with managers to identify issues.	
		<b>Action: Mr Harrison, Nov 2024</b>

Min. No	Minutes	Action
87	Mrs Court welcomed these actions and queried whether any further reporting of progress would be reported to Committees. Mr Harrison confirmed that reporting of information would be included within the HR report presented to the Finance & Resources Committee.	
88	<b>16-18 Student Journey</b> Mr Creed outlined the key areas of focus as attendance, retention and intervention, with a particular focus on learners who are identified as being at risk of leaving the programme.	
89	Mr Creed confirmed a rating of 'good' in terms of the design of the processes, and 'reasonable' overall. Mr Creed presented the Action Plan, highlighting 3 recommendations made following the Audit:	
90	3.1 Student Voice Entry Survey – noted 18% of respondents disagreed that they had received information regarding the support available through the Student Services function. This is higher than would be expected, and Mr Creed shared evidence of the College's response to address this issue from the start of 2024-25 Academic Year, including improvements to the Induction Process and further roll-out of support through the digital App.	
91	3.2 Attendance – the College's target is 90%, at the time of the audit the College was running at 81% (+ M&E 64% / 63%). Retention was slightly below, with learners withdrawing within the initial funding qualifying period. The recommendation included the adoption of an holistic approach, with consistent application of the attendance policy. Mr Creed acknowledged the variation of application of the policy across college departments, including difficulties with M&E due to student reluctance in these areas. Mr Creed highlighted the robust response received from Mr Veltman outlining the significant activity taking place to revise the policy and associated procedures, alongside a programme of ongoing staff CPD which will strive to embed expectations into the culture of the organisation, for both staff and students.	
92	3.3 Monitoring & Review – with a particular focus on the logging of work experience. This is a low priority recommendation to improve the monitoring and recording of work experience. Mr Creed acknowledged the response received from Mr Veltman, providing assurance of a new reporting structure to support monitoring, whilst also enabling swift action to be taken in the event of non-compliance.	

Min. No	Minutes	Action
93	Mr Creed stressed the scale of the Student Journey review, acknowledging the broad approach required within the audit as a whole, alongside a focus on key areas for improvement.	
94	Mrs Court invited Mr Veltman to offer responses to the comments raised.	
95	Mr Veltman highlighted the impact on implementation of procedures made through the turnover of staff, and subsequent 'dilution' of knowledge and skill. Mr Veltman acknowledged the need for regular review and refresh of staff knowledge to ensure consistent application of policies. Mr Veltman shared arrangements for the Curriculum Staff CPD sessions planned prior to the new start, where communication of revised policies and procedures would be stressed, alongside individual roles and responsibilities in their application.	
96	Mr Veltman shared arrangements for an early intervention programme which, whilst focusing on attainment and achievement, would also impact on attendance through prompt identification of additional support requirements.	
97	Mr Veltman accepted the issues raised from the audit, which had also been recognised following internal review. Mr Veltman stressed the activity already completed in the preparation of CPD programmes and processes which would provide a more robust wraparound provision to address these issues, and support staff in their implementation of the policy.	
98	Mrs Court invited questions from the Committee.	
99	Mr Scully queried a reference to 'to date' within the retention data.	
100	Mr Creed suggested the data would most likely be to 31 March 2024.	
101	Mr Reeve queried the statistics based against an internal target, and whether there were any external benchmarks which could identify trends in comparison to other colleges.	
102	Mr Creed acknowledged the existence of 'anecdotal benchmarks' rather than formal benchmarks, suggesting the majority of colleges will set a 90% attendance target.	

Min. No	Minutes	Action
103	Mr Reeve queried whether Mr Creed had the ability to provide anonymised data against other 'client' colleges which may enable a clearer benchmarking exercise to take place.	
104	Mr Creed provided an observation that the College performed at a point which would be expected and measured fairly against other colleges audited. Mr Creed suggested a more effective benchmark would be to assess against the College's own year-on-year improvements and activity, rather than external comparisons.	
105	Mr Creed acknowledged the significant change at the College, not only following Covid, but also the whole scale senior management change.	
106	Mr Veltman agreed that the data presented highlighted an expected variance, and suggested that, whilst it may be convenient to apportion responsibility to a post-Covid impact, a more appropriate response would be to seek to identify the root cause and address.	
107	Mr Veltman reminded the Committee that reporting against national data was presented to the Corporation – however there was a significant range of accessible data, including deprivation and ethnicity, which would need to be considered in order to effectively benchmark the College.	
108	Mr Harrison suggested the attendance, retention and intervention benchmarks could be included within the attainment benchmark measure. Offering feedback on E&M GCSE attendance being 85%+ despite actual classroom attendance being in the region of 60%.	
109	The Committee noted the recommendations and actions presented within the report, and confirmed further monitoring would be conducted through the Implementation Plan and regular monitoring at Committee.	
110	Mrs Court thanked Mr Veltman for his input. Mr Veltman left the meeting at 18:33	
111	<p><b>Follow-Up of Previous Recommendations</b></p> <p>Mr Creed confirmed that all previously agreed recommendations had been implemented by the College in line with the agreed original actions and timeframes for completion. Mr Creed also confirmed that the College had accurately reported the status of implementing all recommendations to the Audit Committee.</p>	

Min. No	Minutes	Action
112	<b>Resolved:</b> Committee members received the Internal Audit reports and noted Management Responses.	
	<b>AC/24/126 – Audit Recommendations and Actions</b>	
113	Mr Harrison presented the Audit Recommendations and Actions tracker, highlighting the inclusion of External Audit recommendations.	
114	Mrs Court welcomed the updated tracker and acknowledged that, whilst it appeared to be a substantial document, many of the actions had been resolved during the recent Audit Reports, and none of the actions were beyond due date – which should be commended.	
115	Mr Scully queried items due for completion in July.	
116	The Committee agreed completion of these items would be reported to the Autumn Audit Committee meeting.	
117	<b>Resolved:</b> Committee members received the Audit Recommendations and actions report.	
	<b>AC/24/127 – Internal Audit Strategy and Annual Plan 2024/25</b>	
118	Mr Creed presented the Internal Audit Plan for 2024-25, drawing particular attention to Section 4 which provides an overview of areas for Audit in 2024-25. <ul style="list-style-type: none"> <li>- Student Journey (enrolment to Day 42) – how well does the College manage the student journey from initial contact to securing funding.</li> <li>- IT Infrastructure &amp; Data Security – aware of investment in IT across the College, good opportunity to consider new arrangements for disaster recovery in more detail.</li> <li>- Learner Records and Aptem Implementation – focus on apprenticeships activity and implementation of new system. Look at how addressing recommendations from Funding Audit.</li> <li>- Risk Management – cyclical review.</li> <li>- HR and Payroll - review of implementation of new system.</li> <li>- Follow-Up of recommendations – annual review.</li> </ul>	
119	Mr Creed reminded the Committee that the Plan belonged to the College, and should priorities change then the Plan could be flexible to accommodate.	

Min. No	Minutes	Action
120	Mrs Court confirmed discussions had also been held to suggest longer term areas for review in future years.	<b>Action: Mr A Harrison, July 2024</b>
121	Mr Lewis confirmed Data & Cyber Security were also an area of interest for ESFA and he would support any recommendation to review this area as presented.	
122	Mr Reeve confirmed support of the Audit Plan, and suggested, where internal assurance only is given, then external assurance should be sought – citing the management of safeguarding as an example.	
123	Mr Harrison reminded the Committee that Ofsted review all elements of safeguarding in detail within their Inspection Framework, and this had been completed during their recent visit, with assurance confirmed. Additionally, during the SAR process the College internally assesses its safeguarding measures annually. This is reported to the CQS Committee.	
124	Internal feedback received would suggest any audit in this area would be better conducted by specialists, rather than included within the generalised internal audit process.	
125	Mr Reeve suggested the Risk Register should include any detail relating to safeguarding having been assured through the Ofsted process.	
126	Mr Harrison agreed to address.	
127	Mr Scully agreed with the suggested Audit Plan, however highlighted an additional item to consider sector nervousness around the use of AI, particularly implications relating to GDPR. Mr Scully suggested this may become more prevalent in the next 6 months.	
128	Mr Harrison confirmed a previous discussion at a Board meeting, where a concern was raised regarding the Teachermatic software, particularly the harvesting of inputted data. Assurance had since been provided at CQSS Committee.	
129	Mr Scully agreed with the assurance provided by Teachermatic, however noted that access to online versions of other AI software (e.g. ChatGPT) presented a significant risk. Mr Scully suggested measures to improve knowledge or restrict access may be required.	

Min. No	Minutes	Action
130	Mr Creed confirmed he was not aware of any specific internal audit inspections having been requested for this area.	<b>Action: Mr A Harrison / Mrs Taylor-Holmes April 2025</b>
131	Mrs Court suggested this may be an area to consider for a future Annual Audit Plan.	
132	<b>Resolved:</b> Committee members approved the Audit Strategy and Annual Plan 2024-25	
	<b>AC/24/128 – Financial Statements Audit Plan for the Year Ended 31 July 2024</b>	
133	Mr Lewis presented the Financial Statements Audit Plan.	
134	Mr Lewis confirmed the estimated fees included in the summary report, along with the expected timeline.	
135	Mr Lewis acknowledged the earlier discussion on the outstanding ESFA Audit, and the impact any delay in conclusion of this audit would have on the completion of the Management Accounts.	
136	Mr Lewis highlighted the risks associated with the Audit, which were common across all Colleges and had previously been discussed in the meeting.	
137	<b>Resolved: Committee members approved the Financial Statements Audit Plan for the Year Ended 31 July 2024</b>	
	<b>AC/24/129 – Risk Management</b>	
	<b>RSM Emerging Issues</b>	
138	Mr Lewis presented the Emerging Issues summary which highlights the key accounting changes to the FRS 102 document.	
139	Mr Lewis highlighted the key impact to the College would relate to leases. No significant concerns had been identified, other than the greater emphasis on disclosure which could impact on the content of the Regularity Framework.	
140	There will also be an expectation of disclosure of the output of the External Governance Review, including recommendations and Action Plan.	



Min. No	Minutes	Action
141	In terms of the financials, there is now a requirement for disclosure of holiday pay.	
142	The report also references AI and the Corporate Transparency Act relating to elements of fraud on the behalf of the institution in order to improve performance.	
143	Mr Lewis directed the Committee to the Audit Code of Practice 'bite sized' guides in relation to reclassification.	
144	Mr Lewis confirmed the key changes to the Procurement Act which come into effect in October 2024, and reminded Mr Harrison of an invite sent for an event taking place aimed at appropriate staff, to further explore the impact of the changes.	
145	Mr Lewis shared his confidence in the College managing its compliance effectively with the support of RSM, who would provide guidance throughout.	
146	<b>Resolved</b> – Committee members received the report.	
	<b>Risk Register</b>	
147	Mrs Court referred to the amendment to the presentation of data further to previous requests.	
148	Mr Harrison presented the Risk Heatmap for easier identification of risks and highlighted those categorised as Red / High Risk: <ul style="list-style-type: none"> <li>- Failure to comply with funding body requirements resulting in clawback of income – identification of funding at risk caused increase.</li> <li>- Major Infrastructure Failure (IT, etc) – due to the significant investment in this area it is recommended this is reassessed as Amber due to mitigating measures being put in place.</li> <li>- Failure to attract and retain suitably skilled and motivated staff – still a challenge with slight easement. No change proposed.</li> </ul>	
149	Mr Harrison updated on the F&R Committee proposals to amend the following risks: <ul style="list-style-type: none"> <li>- Failure to effectively meet contractual requirements of External Funding contracts – proposed to change to Amber.</li> <li>- Failure to adequately control expenditure impacting on College financial health – proposed to remain at Amber, however amend the residual score from 8 to 9.</li> </ul>	

Min. No	Minutes	Action
150	Mr Lewis suggested the Radar Review provided by the External Auditors may be a helpful tool in assessing current risks against emerging risks.	<b>Action: Mr A Harrison, Nov 2024</b>
151	Mr Harrison reminded the Committee of the thorough review of risks which is completed at the commencement of the new academic year, at which point the Radar Review would be useful to consider alongside.	
152	Mr Reeve shared his appreciation of the work completed by Mr Harrison in producing a more coherent and robust Risk Register, alongside the summary heatmap.	
153	Mr Scully agreed with this comment and added his own thanks for the excellent summary.	
154	Mrs Court suggested the Heatmap be relocated to the front of the report to aid more focused discussion.	
155	<b>Resolved:</b> <ul style="list-style-type: none"><li>➤ Committee members received the report and noted the improvements to presentation.</li><li>➤ Committee members recommend the summary report, including Heat Map is presented to Board for information.</li></ul>	
<b>AC/24/130 – Policies</b> <u>Health &amp; Safety Policy</u>		<b>Action: Mr A Harrison, July 2024</b>
156	Mr Scully queried section 2.7, referencing the reporting of accidents to line manager, and asked whether the Policy prescribes responsibility for completion of the accident form.	
157	Mr Harrison committed to review and amend if required.	
158	<b>Resolved:</b> Mr Harrison to review Section 2.7 and submit the Policy for approval to Board. <u>Risk Management Policy</u>	
159	Mrs Court queried Section 6, and suggested an amendment to reflect the timescale of operational review should remain at 1-year review; and the timescale of Policy review to be accepted at 2-year.	

Min. No	Minutes	Action
160	Mr Reeve referred to the changes in the risk appetite over recent years and queried the impact of the increased risk appetite on business decisions and operational delivery. In particular, how is it used in the presentation of business cases and communication to staff. Mr Reeve suggested this may be an area for further review and development. Mr Harrison accepted this suggestion.	<b>Action: Mr A Harrison, July 2024</b>
161	<b>Resolved:</b> Committee approved the Risk Management Policy subject to amendment of review timescale.  <u>Financial Regulations</u>	
162	Mr Harrison shared the College's Financial Handbook and confirmed assurance that any changes required in relation to the 'Managing Public Money' requirements had already been adequately covered.	
163	Mr Scully queried the rationale behind a suggested amendment in relation to the Audit Committee Terms of Reference, specifically item 5.2.3 and the suggestion to remove "(f) That the Committee receives an annual report on anti-fraud and corruption, irregularity and whistleblowing".	
164	Mr Harrison confirmed this amendment related to an earlier decision and had not featured in this review. Mr Harrison suggested the amendment may relate to a requirement for regular reporting, rather than an 'annual report'	
165	Mrs Court suggested reinstatement of some form of reporting mechanism on these issues should feature within the Terms of Reference, and confirmed discussion would be required with Mrs Taylor-Holmes to seek clarification and ascertain actions required to reinstate the item.	
166	<b>Resolved:</b> Committee approved the Financial Regulations, subject to review of item 5.2.3 and the link to the Terms of Reference.	<b>Action: Mrs Taylor-Holmes, November 2024</b>
	<b>AC/24/131 Deep Dive / Cross Committee Priorities and Proposals for 2024-25</b>	
167	Mrs Court invited suggestions for future items to be reported to Audit Committee, Board, or for presentation at Governor Development Sessions.	

Min. No	Minutes	Action
168	Mr Lewis suggested consideration be given to Funding Assurance (PDSAT, FRM Returns, etc.). Mr Harrison confirmed that an Annual Report on Compliance with Funding Rules had already been introduced, and agreed a focused session to review alongside a Funding Assurance item may be beneficial, this would be considered further.	<b>Action: Mr A Harrison / Mrs Taylor-Holmes September 2024</b>
169	<b>Resolved:</b> Committee members approved the suggested areas for Deep Dive.	
	<b>AC/24/132 - Items to be reported to the Board</b>	
170	The Committee had approved: <ul style="list-style-type: none"> <li>➤ The Financial Regulations Handbook, subject to review and amendment of item 5.3.2</li> <li>➤ The Internal Audit Plan for 2024-25</li> <li>➤ The Financial Statements Audit Plan</li> <li>➤ The suggested area for Deep Dive for future Governor Development Day (Funding Regulations)</li> </ul>	
171	It was agreed that the following would be reported to the Board for information: <ul style="list-style-type: none"> <li>➤ Received the Health &amp; Safety update and noted actions taken.</li> <li>➤ Update on ESFA Funding audit</li> <li>➤ Review of Audit recommendations – to note no outstanding actions and good level of completion of recommendations.</li> <li>➤ Received two internal audit reports with Reasonable assurance received.</li> <li>➤ Received the update to the Risk Register and receipt of the Heat Map.</li> <li>➤ Approved the suggested area for Deep Dive for a future Governor Development Day.</li> </ul>	
172	The Committee recommended the following for approval at by the Corporation Board: <ul style="list-style-type: none"> <li>➤ Health &amp; Safety Policy</li> <li>➤ Risk Management Policy subject to amendment of review timescale.</li> </ul>	
	<b>AC/24/133 – Dates of Future Meetings</b>	
173	Joint Audit and Finance & Resources Committee – Thursday 21 November, 5.35pm Audit Committee – Thursday 21 November, 6.40pm	
	<b>AC/24/134 - Meeting in the absence of Management</b>	
174	Mrs Court invited feedback from Mr Creed and Mr Lewis.	

Min. No	Minutes	Action
175	Mr Creed confirmed the relationship continued to work well, acknowledging the impact of the whole scale management changeover.	
176	Mr Lewis updated on positive progress, including the improvements in the use of IT resources and positive advancements in all aspects of reporting.	
177	Mr Reeve and Mr Scully confirmed their confidence in the current leadership and processes.	
	<b>AC/24/135 – Any Other Business</b>	
178	Mrs Court acknowledged the departure of herself as Chair, and Mr Reeve as Co-Opted Governor, and updated the Committee on earlier discussions at Search & Governance Committee in relation to future membership of the Committee. Mrs Court confirmed the S&G Committee would be recommending recruitment of governors with a financial management/accounting background, with the specific role of becoming members of the Audit Committee, either as a substantive governor or co-optee.	
178	Mr Harrison shared his thanks to Mrs Court and Mr Reeve for their support and challenge in leading the Audit Committee and providing the necessary oversight to ensure the College remains compliant.	

### Meeting ended 18.50

Signed as a true and accurate record

Martyn Stone

21 November 2024

Chair

Date