

# Minutes of a Meeting of the AUDIT COMMITTEE held on

Wednesday 28 February 2024 at 2.00pm College Business Centre

## **1/24 APOLOGIES AND WELCOME**

The Chair welcomed all Members to the meeting. Apologies were received from Ms Karen Shaw, Southern Internal Audit Partnership, and Ms Frances Millar, RSM UK Audit LLP.

## **2/24 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **3/24 APPROVAL OF THE CONFIDENTIAL AND NON-CONFIDENTIAL MINUTES OF THE MEETING OF 29 NOVEMBER 2023**

The confidential and non-confidential minutes of the meeting of 29 November 2023 were approved as a true record.

## **4/24 MATTERS ARISING FROM THE MEETING OF 29 NOVEMBER 2024**

The Director of Governance reported on Matters Arising.

With regard to the suggestion to check to match employee details against all suppliers, the Chair advised that an external company could undertake such checks on a no win no fee basis, and that therefore this may prove an efficient use of time.

The latest information on the Education and Skills Funding Agency (ESFA) judgment on subcontracting was provided with the outcome awaited.

The Director of Finance was aware of the offer of a Member to meet with her regarding Delamite Ltd and she would follow up.

The selection criteria for the internal audit tender would be confirmed by the Selection Panel.

The Chief Operating Officer had confirmed that Aramark was to be included within the business continuity plan as it is revised in the coming months and the Director of Finance would liaise with Aramark regarding student participation in the catering service.

All other actions had been completed as detailed in the report.

## **5/24 GDPR DATA BREACHES**

Ms Dawn Smart, Head of Learning, Apprenticeships and Vocational, joined the meeting and presented the General Data Protection Regulation (GDPR) data breaches report. Since the last report to Audit Committee there have been three identified data breaches, two of which were external breaches and therefore categorised as concern, and one was an internal breach and categorised as minor. Processes were revised to address the external breaches. Ms Smart was comfortable that all three breaches have been addressed.

The Chair asked for further information to ensure assurance on the addressing of the data breach detailed at 6.23 in the report. Ms Smart responded that system access had been curtailed for the staff member concerned at departure and the system password changed. She referred to a leavers' checklist to ensure the correct procedure was followed. A Member asked if the completed leavers' checklist is checked. Ms Smart would check this and report back. Another Member commented in a previous role that a line manager was required to sign off to confirm that the leavers' checklist had been completed. The Principal confirmed that this action would come to the senior leadership team (SLT) on a monthly basis. Ms Smart confirmed that she would work with the Head of Human Resources (HR, People and Culture) to confirm that a checklist is completed and submitted to SLT.

The Chair referring to the score on the Risk Register for GDPR asked if there was anything further that could be undertaken to reduce the risk score. Ms Smart responded that she felt the risk should remain at Amber as schools and colleges were being targeted by hackers. The Principal added that where any new system is introduced there was testing to assess the risk of hacking.

The Committee NOTED the report.

Ms Smart left the meeting.

#### **6/24 GENDER PAY REPORT**

Cheryl Blackley, Head of Human Resources (HR, People and Culture) joined the meeting, and presented the Gender Pay Gap Statutory Reporting. The College has a legal duty to report information on an annual basis relating to gender pay differences by 30 March 2024. The data will be published on the government portal and the College website before 30 March 2024. The reporting data is a snapshot taken 31 March 2023. She outlined the headline figures, noting that 70% of the College workforce is female. The figures had also been checked against last year's figures.

The Chair enquired whether any queries were received on this, and the Principal responded that there were not. It was noted that the report was produced as per statutory requirement on reporting and on this basis, it was recommended for approval by Corporation.

The Committee CONSIDERED the Gender Pay Gap Statutory Reporting RECOMMENDED for APPROVAL by Corporation.

#### **7/24 INTERNAL AUDIT REPORT 2023/2024 – VISIT 1**

Ms Melanie Weston, Southern Internal Audit Partnership, presented the internal audit report for visit 1. Three audits had been progressed to final report: risk management and insurance; expenses; and safeguarding. The report on safeguarding was to be circulated.

The review of the Risk Management Policy found that although it was reviewed and updated in February 2023; it has not been updated since to reflect the addition of the SLT and their role in the risk management process to replace the Risk Management Group. She reported that risk management was otherwise working well and with good controls in place. Substantial assurance was given. It was noted that the Risk Management Policy was on the agenda of the meeting.

Reasonable assurance was given for the expenses audit. The review found inconsistencies with the Expenses Policy and associated documentation. It was considered that there was a risk for confusion over expectations with regard to the payment for expenses. The Expenses Policy would be amended to include detail on claiming for eye examinations; and clarity to confirm that mileage claims are to be submitted monthly. Testing had found a few instances where receipts were missing, or forms were not signed.

A Member asked how close the outcome was to Limited assurance. Ms Weston confirmed that risk was identified for process due to incomplete or inconsistent documentation but there was no concern regarding

payments made. The Chair enquired whether claim forms were printed in advance or downloaded. The Director of Finance responded that she has spoken with the Finance team, and they had been instructed to reject every claim that was not submitted on the correct form.

Ms Weston reported substantial assurance for safeguarding and there were no observations made. Clear processes were in place and staff were trained accordingly. Annual updates are provided by safeguarding leads. A governance structure is in place with a safeguarding board responsible for monitoring and reviewing safeguarding issues. Termly and annual reports are given to Corporation, and safeguarding information is visible to students, staff, and parents/ guardians. Some limitation was noted with the eTrackr system. The College is aware of this and is in the process of purchasing a system that enables actions to be assigned and target dates closed. One added value point was raised for the Safeguarding Board's Terms of Reference to include a review date.

The Committee NOTED the report.

Ms Weston left the meeting.

### **8/24 COLLEGE RISK REGISTER**

The Director of Finance reported on the College Risk Register. The focus for the latest update of the Risk Register was a review of risk description, owner, and a general review of risk scoring. A variety of risks were considered and three were considered of sufficient a scale to be incorporated within the register and a fourth was consolidated into an additional risk. Five risks were deemed to be fully resolved and offered for exclusion or consolidated into an existing risk. A summary of the highest risks and any movement in these was included as requested. These highlighted the following as Static: 4.29 Drainage, 1.6 Students fail to achieve sufficient progress in maths and/or English to secure their best options for progression, and 4.25 Significant increases in utility and other non-pay costs could result in poor financial performance. Risks 4.26 RAAC, and 4.30 DfE Transformation project were removed from the Risk Register.

The Chair of the Capital Committee reported that Risk 4.29 was being reported on and monitored at that Committee.

The Chair asked the Principal whether she felt that Risk 1.6 was reducing. The Principal responded that there was a new structure and a new lead for English and maths at College and therefore this was not the appropriate time to reduce the risk.

The Chair suggested combining capital and revenue in terms of future risk. There was also a discussion regarding potential change of government and impact on capital projects. It was agreed to add this as a risk on the Risk Register.

The Committee NOTED the updated Risk Register.

### **9/24 ANNUAL REVIEW OF RISK MANAGEMENT POLICY**

The Director of Finance presented the annual review of the Risk Management Policy. There was a minor change as referred to earlier in the internal audit report – visit 1.

A Member asked for clarification on SLT and SMT (senior management team). The Principal responded that SMT included SLT members plus the Director of Finance, Head of HR, and Director of Management Information Systems and Funding.

The Chair noted that part of the responsibility of the Audit Committee was to ensure there were sufficient internal controls in place, she raised a query regarding whether there were the appropriate level of plans for business continuity. The Principal responded that this was in the Chief Operating Officer's brief and that she was working alongside the Campus and Health & Safety Manager on emergency business planning. The Chief

Operating Officer had also met with the Isle of Wight Council, and the NHS Trust to take away learning and was pulling this together. Business continuity was also regularly on the SLT agenda, the Principal confirmed. The Chair asked if there was comfort with the plans for managing risk. The Principal responded that the College was changing the way risk assessments were undertaken. The Chair enquired what timescale was reasonable for a revised Business Continuity Plan. The Principal responded that it was hoped that this would be completed in the coming months with a view to submission to Corporation for approval and roll out in the new academic year.

The Committee APPROVED the Risk Management Policy.

#### **10/24 UPDATES TO FINANCIAL REGULATION AND FINANCIAL PROCEDURES**

The Director of Finance reported on updates to the Financial Regulations and Financial Procedures. These were updated regularly and brought to Audit Committee with annual approval by Corporation. The current update had reflected the points raised in the expenses audit as reported earlier at internal audit report – visit 1.

The Committee REVIEWED the Financial Regulations and Financial Procedures and RECOMMENDED them for APPROVAL by Corporation.

#### **11/24 AUDIT ISSUES LOG**

The Director of Finance reported on the Audit Issues Log and progress in resolving action points arising from all Audits. She confirmed that all outstanding action points carried over from the previous report on the Audit Issues Log have been updated and that actions up to and including visit 1 have been incorporated.

The Chair enquired whether the Finance team undertake ‘spot’ audits. The Director of Finance confirmed that till and asset checks are undertaken. A Member asked what level of detail asset checks went to. The Director of Finance responded that there was a random sample of five asset checks per month in which the asset was located. She reported that with office moves there had been some issues with assets moving location and not being accurately reported. The Chair suggested that asset management should be key focus in the year ahead and asked for a progress update to come to a future meeting on this.

The Committee NOTED the report.

#### **12/24 ANNUAL REPORT ON POLICY RENEWAL AND PROGRESS**

The Principal presented the Annual Report on Policy Renewal and Progress. There was a formatting error in the document. It was subsequently confirmed that this is correct in the Word version.

The Principal confirmed that she would liaise with the Director of Governance on review and scoping. SLT had completed a review of all policies and amended policy templates. It was noted that this would be impacted by the External Governance Review. The Director of Governance clarified the timetable for this in response to a query from a Member.

The Committee CONSIDERED the report.

#### **13/24 MANAGING PUBLIC MONEY – ASSURANCE REPORT**

The Director of Finance presented the report to give assurance to the Audit Committee that the College is complying with the Managing Public Money (MPM) rules.

The Chair thanked the Director of Finance for the report and requested that MPM assurance reporting is brought to the Committee in October and February with any approvals in the interim where required.

The Committee CONSIDERED the report.

**14/24 DISCUSSION WITH AUDITORS WITHOUT MANAGEMENT PRESENT (IF REQUIRED)**

No discussion required.

**15/24 GOVERNOR SELF-REVIEW OF MEETING**

The Chair led Members in a self-review of the meeting. It was agreed that assurance arrangements were adequate and effective. The 'golden thread' running through internal audit to policy was noted. There had been a helpful discussion on business continuity planning. The Chair asked Members whether they required any development. Members were content though it was noted that all Members on Audit Committee were also Members of the Capital Committee. It was agreed that a co-option to the Audit Committee would be helpful and should be pursued. The Principal added that Governor recruitment may be more successful if different modes of meeting are accommodated.

**16/24 ANY OTHER BUSINESS**

There was no other business.

**17/24 REVIEW OF PERFORMANCE OF THE FINANCIAL STATEMENTS AUDITORS (CONFIDENTIAL)**

**18/24 REVIEW OF PERFORMANCE OF THE INTERNAL AUDITORS (CONFIDENTIAL)**

**19/24 TENDERING OF INTERNAL AUDIT SERVICES FOR THE COLLEGE (CONFIDENTIAL)**

**20/24 ANNUAL REVIEW OF CONTRACTS (CONFIDENTIAL)**

**21/24 DATE OF NEXT MEETING** Wednesday 12<sup>th</sup> June 2024, College Business Centre