

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

HELD: on Thursday 9 March 2023 at 16.00 via MS Teams

Present	In attendance
John Williams (Chair)	Richard Lewis (RSM)
Emmanuel Osei Boateng	Andrew McCulloch (TIAA)
Ann Kendal	Chris Malish (VPF&CS)
Apologies	Marc Gillham (VPD&F)
Umar Rafique	Sarah Cooper (DPS)
Allison Booth (Assistant Clerk)	Sarah McKenzie (Clerk)

The quorum was two committee members

L/J Denotes the time any individual left/ re-joined the meeting.

Item		Action/ Report Item
Closed session		
1.	<u>Members to meet with Auditors in the absence of management</u>	
1.1	A closed session took place between the Audit Committee members and TIAA (Andrew McCulloch) the internal auditors. TIAA provided assurance to the Committee that the recent internal audit assignments had run smoothly, with timely information being provided to enable the audits to run to schedule.	
Open session		
2.	<i>J- CM & MG</i> <u>Introductions, Apologies for Absence and Disclosure of Interest</u>	
2.1	The Chair welcomed everyone to the meeting.	
2.2	Apologies were noted for Allison Booth and Umar Rafique.	
2.3	There were no disclosures of interest.	
3.	<u>Chair's action</u>	
3.1	There had been no use of Chair's actions since the last meeting.	
3.2	ACTION: The Chair had been alerted to the Fraud Response Plan being invoked. An investigation was underway by TIAA, with an update to be given to the Committee at its next meeting on 18 May 2023.	TIAA/ VPF&CS
4.	<u>Minutes of the meeting held on 8 December 2022</u>	

4.1	ACTION: Update minutes to include apologies for Andrew McCulloch (TIAA).	Clerk
4.2	RESOLVED: That the Minutes of 8 December 2022 were approved as an accurate record and can be signed by the Chair.	
5.	<u>Matters arising</u>	
5.1	The Matters Arising Report was reviewed.	
5.2	ACTION: It was queried that an action regarding the breakdown of subscriptions needed to be added to the matters arising report and reported against at the next meeting on 18 May 2023 (see 9.5- 8 December 2022 Audit Committee minutes).	Clerk/ VPF&CS
Internal Audit Reports		
6.	<u>Internal Audit Reports:</u>	
6.1	<u>6.1 Estates – Property Compliance</u> <ul style="list-style-type: none"> • The Estates – Property Compliance report had an overall conclusion of REASONABLE assurance. • There were 4 recommendations, 1 graded as important and 3 graded as routine. • There were 2 areas of good practice. 	
6.2	The implementation dates against the recommendations had passed and the VPF&CS confirmed to the Committee that these had now been implemented.	
6.3	The Chair queried if the college had any gas boilers. The VPF&CS confirmed that the college did have a number of gas boilers and it was agreed that any future internal audits of this nature would include these in the scope. In the meantime, the VPF&CS would provide direct assurance to the Audit Committee at its next meeting on 18 May 2023.	
6.4	ACTION: VPF&CS to provide assurance of statutory compliance for the gas boilers.	VPF&CS
6.5	<u>6.2 Risk Management Framework</u> <ul style="list-style-type: none"> • The Risk Management Framework report had an overall conclusion of SUBSTANTIAL assurance. • There were no recommendations. • There was 1 area of good practice. 	

<p>6.6</p> <p>6.7</p> <p>6.8</p> <p>6.9</p> <p>6.10</p> <p>6.11</p>	<p>TIAA commented that the Risk Management Framework was embedded into the organisation and the Committee offered its thanks to all involved.</p> <p><u>6.3 Key Financial Controls – Creditor Payments and Debtors</u></p> <ul style="list-style-type: none"> • The Key Financial Controls – Creditor Payments and Debtors report had an overall conclusion of REASONABLE assurance. • There were 5 recommendations 1 graded as important and 4 graded as routine. • There was 1 area of good practice. <p>RSM requested follow up information relating to the recommendations for use in the regularity audit later in the year. This information was exchanged within the meeting and it was confirmed that it would not be material to the audit.</p> <p><u>6.4 Succession Planning - Board and Senior Management Team</u></p> <ul style="list-style-type: none"> • The Succession Planning - Board and Senior Management Team report had an overall conclusion of SUBSTANTIAL assurance. • There were no recommendations. • There were 2 areas of good practice. <p>Governors who had been involved in the recruitment to the Clerk to the Corporation vacancy commented on the succession they had seen in action for the role and were pleased that the college had invested in this.</p> <p>The Chair commented on the excellent outcomes from the recent internal audits and asked that thanks be passed onto the staff involved in the relevant areas.</p>	
<p>7.</p> <p>7.1</p>	<p><i>J- SC</i></p> <p><u>Internal Audit Recommendations: Follow Up (management)</u></p> <p>The VPD&F advised there were 3 ongoing recommendations from 2019-20. These all fall under the responsibility of the DPS and include the scanning of contracts and succession planning.</p> <p>It was reported that 1 outstanding action remains open from 2020-21 relating to AWAM policies and procedures.</p> <p>It was confirmed that all actions from 2021-22 were now complete, including the 3 previous outstanding actions around the formation of a GDPR working group which had now been closed.</p>	

7.2	The Director of People Services gave a verbal update on the status of the outstanding actions falling to her area and it was queried if these actions should now be closed. It was agreed that they should remain on the tracker and that the DPS would provide revised delivery dates at the next Audit Committee on 18 May 2023.	
7.3	ACTION: VPD&F to add external audit (RSM) recommendations to the tracker and report against progress.	VPD&F
7.4	ACTION: DPS to update expected delivery dates on outstanding actions and Audit Committee to take a view on closing the actions at the end of the academic year due to their age.	DPS/Audit Committee
Governance and Risk		
8.	<u>Report on Whistleblowing, Fraud and Other Irregularities</u>	
8.1	The VPF&CS presented the Report on Whistleblowing, Fraud and Other Irregularities, advising that since the last report, a whistleblowing case had been reported, with an investigation underway. The Audit Committee will be updated at its next meeting.	
8.2	Since the last report in December 2022, there had been no fraud or irregularities with regards to Finance or the College bank account. However, one allegation of fraud had been made on 9 February 2023 which potentially could have a financial impact of £26,250, and related to bursary claims. The Committee were advised that the Fraud Response Plan had been instigated and the internal auditors had been commissioned to conduct the investigation, with the outcome report will come to a future Audit Committee.	
8.3	RSM sought clarity around some the details related to the fraud allegation, in terms of the impact on the regularity audit later in the year. The VPF&CS confirmed that he was in dialogue with the Department for Education.	
8.4	ACTION: VPF&CS to update RSM on fraud allegation.	VPF&CS
8.5	It was reported that there were ten open insurance claims with a total potential settlement value of £321,332. These were made up of three employer liability, two public liability and five property related and theft related. The two largest potential settlement values being £100,000 which date back to March 1998 and May 2019. The VPF&CS reported that these were being dealt with by solicitors organised by the college insurers. The VPF&CS confirmed that the previous report claim from a student who was injured whilst undertaking an activity with college in 2018 had been settled.	

8.6	The Committee heard that in terms of cyber risk, the number of attempted intrusions were up from the previous quarter and that some methods such as scanning had doubled this quarter. It is expected this will increase in the next quarter as penetration testing work will be undertaken which employs the same methods. In terms of blocking of phishing and malware emails, approximately 30,000 had been blocked, which is average for the college.	
8.7	The Committee noted the report.	
9.	<u>Strategic Risk Management</u>	
9.1	The Committee reviewed the strategic risks.	
9.2	ACTION: SR1 – add in detail to reflect ONS reclassification	VPF&CS
9.3	The Committee noted the report and agreed that the process of risk identification and management was working well.	
Policies		
10.	None	
Any other business		
11.	<u>Items for report to the Corporation</u>	
11.1	<ul style="list-style-type: none"> • Draft Meeting minutes of 9 March 2023 • Internal Audit Reports- for information • Report on Whistleblowing, Fraud and Other Irregularities – for information • Risk register update – for recommendation 	
12.	<u>Any other business</u>	
12.1	The next Audit Committee Meeting will take place on 18 May 2023.	
12.2	There was no other business.	
12.3	The meeting closed at 17:07	
13.	<u>Meeting Evaluation</u>	Assistant Clerk
13.1	To be circulated by the Assistant Clerk.	

Approved by the Committee:

Agreed actions

No	Minute	Action	Who?
1	4.1	Update minutes to include apologies for Andrew McCulloch (TIAA)	Clerk
2	5.2	It was queried that an action regarding the breakdown of subscriptions needed to be added to the matters arising report and reported against at the next meeting on 18 May 2023 (see 9.5- 8 December 2022 Audit Committee minutes).	Clerk/ VPF&CS
3	6.4	VPF&CS to provide assurance of statutory compliance for the gas boilers.	VPF&CS
4	7.3	VPD&F to add external audit (RSM) recommendations to the tracker and report against progress.	VPD&F
5	7.4	DPS to update expected delivery dates on outstanding actions and Audit Committee to take a view on closing the actions at the end of the academic year due to their age.	DPS/ Audit Committee
6	8.4	VPF&CS to update RSM on fraud allegation	VPF&CS
7	9.2	SR1 – add in detail to reflect ONS reclassification	VPF&CS
8	14.1	Meeting Evaluation to be circulated by the Assistant Clerk.	Assistant Clerk