

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

HELD: on Thursday 27 February 2025 at 16.00 in 4F07 DHB Boardroom

Present	In attendance
Sharon West (Chair)	Richard Lewis (RSM) (via MS Teams)
Barbara Mangan (via MS Teams)	Tausif Taj (TIAA)
Tony Bullock	Sarah Cooper (DPS)
Kimberley Rape	Chris Malish (VPF&CS)
	Allison Booth (Governance Director)
Apologies	Rachel Henry (Deputy Governance Director)
Gavin Hamilton	

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	<p>A closed session took place between the Audit Committee members and the internal auditors TIAA (Tausif Taj). Members were advised that Richard Lewis (RSM) had been delayed and would join the meeting in due course.</p> <p>Mr Taj advised that the internal audit was progressing in line with the annual plan and that significant progress had been made. It was noted that engagement with management had been really positive and that there would be an increased onsite presence from TIAA going forward.</p>	
1.2	<p>Q. Were the SLT satisfied with the outcomes of the re-reviewed Health and Safety Audit?</p> <p>A. Initially the Audit was carried out off site however, after review, it was agreed that on site presence had been necessary to conduct this effectively. The initial report had been reviewed and the rating regraded. Of the six recommendations, four were graded as operational action points, which were process improvements rather than issues of control.</p>	
1.3	<p>Q. Can you expand on the recommendation to improve Health and Safety training?</p> <p>A. This mainly related to the enhancement of the current strategy.</p> <p><i>RL/J</i></p>	
1.4	<p>Mr Lewis advised that through effective collaboration, the Audit Annual Report and Financial Statements 2023-24 had been presented at the Corporation meeting on 12 December 2024 and had been signed off on time.</p>	

Open session		
2.	<u>Introductions, Apologies for Absence and Disclosure of Interest</u>	
2.1	The Chair welcomed everyone to the meeting.	
2.2	Apologies for absence were received from Gavin Hamilton.	
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.	
4.	<u>Minutes of the meeting held on 5 December 2024</u>	
4.1	RESOLVED: That the Minutes of 5 December 2024 be approved as an accurate record and signed by the Chair.	
5.	<u>Matters arising</u>	
5.1	The Matters Arising Report was reviewed and it was noted that all matters were on track and would be closed off in due course.	
Internal Audit		
6.	<u>Internal Audit Reports</u>	
6.1	<p><u>6.1 Health & Safety (Revised)</u></p> <p>Subsequent to a follow up conversation between TIAA and the DPS on a number of disputed recommendations within the Health & Safety report, a second revised version had been accepted.</p> <ul style="list-style-type: none"> • The revised Health & Safety report had an overall conclusion of SUBSTANTIAL assurance. • There were 6 recommendations, 2 graded as routine and 4 as operational, which had been accepted by Management. • There were 2 areas of good practice identified. <p>Q. What is the target for staff completion of mandatory health and safety training?</p> <p>A. The target is for 90% of staff to be compliant at all times. Mandatory training data is reviewed by the SLT and non-compliance is picked up in the Performance Reviews.</p>	

6.2	<p><u>6.2 Internal Audit Annual Report (Revised)</u></p> <p>The Internal Audit Annual Report had been updated to reflect the revised Health & Safety Internal Audit Report.</p> <p>Mr Taj provided a summary of the Annual Internal Report, advising that significant improvement had been seen, which was evident by the marked increase of reviews receiving substantial assurance in comparison to the previous year.</p> <p>Out of the total number of recommendations made in 2023/24, 21 had been graded as routine and 2 as important.</p> <p>The Committee were advised that there had been no deviation from the planned work. Members commended the good results achieved and were pleased to see that no control weaknesses had been identified.</p>	
6.3	<p><u>6.3 Absence Management</u></p> <ul style="list-style-type: none"> • The Absence Management report had an overall conclusion of SUBSTANTIAL assurance. • There were 2 recommendations, both graded as routine, which had been accepted by Management. • There were 2 areas of good practice identified. <p>The Chair commended the College on its low sickness absence rate and noted that the adjusted average of 7.9 days lost to sickness per employee was well within the sector average.</p> <p>Q. When was the Wellbeing Officer appointed? A. In September 2024. This was discussed at the Strategic Planning Event in 2024; Governors requested wellbeing be an area of further focus. The annual calendar of wellbeing events is comprehensive and includes a wide selection of activities which had been commended by TIAA.</p>	
6.4	<p><u>6.4 Indicative Audit Strategy 2023-26 and Annual Plan 2024-25 (Final)</u></p> <p>Mr Taj advised that some audits had already been completed and that the remainder of the work had been scheduled in. TIAA should be in the position to issue the Annual Plan for 2025-26 in June.</p> <p>Key risk considerations when planning internal audit coverage included:</p> <ul style="list-style-type: none"> • Financial Sustainability • Cyber security • Climate change • Talent Management 	

	<p>Q. How are the key risk considerations embedded into review areas?</p> <p>A. At the scoping meetings the key relevant considerations are determined and are embedded within the individual review areas.</p> <p>The VPF&CS advised that when the internal auditors were looking at climate change, it was reviewed in terms of the impact of climate change on the organisation. Guidance from the DfE advised that, as of 2025, all FE/HE institutions would require a Climate Action Plan. The Sustainability Lead was currently reviewing the guidance to determine what was required from the College.</p> <p>The VPF&CS suggested that the Audit Committee consider a review area on student income funding streams, where a different funding stream would be audited each year. This would allow for increased oversight of the various student funding streams, which would be helpful in terms of managing any potential clawback risk. Members agreed that this should be implemented into the 2025-26 Annual Audit Plan.</p> <p>Mr Taj agreed that these areas could be discussed further, and relevant additions would be made to the Annual Plan.</p> <p>Mr Lewis advised that as cyber security continued to be a key issue within the sector, the ESFA were working on the publication of a Cyber Security Good Practice Guide, which would be circulated in Spring 2025. Mr Lewis also advised that the UK's new Procurement Act would necessitate embedding new audit controls which would need to be factored into the 2025-26 internal audit plan.</p> <p>Q. Where is the assurance in the Annual Plan that we have effective arrangements for the management and quality assurance of data?</p> <p>A. This would be picked up through the income testing and review of the ILR. The External Auditor also provides assurance on compliance on funding regulations and the relevant funding bodies also carry out their own audits.</p>	
7.	<u>Internal Audit Recommendations: Follow Up (management)</u>	
7.1	<p>The DPS provided an update on the outstanding Internal Audit Recommendations, advising there was one outstanding query from 2020-21 which related to the review and implementation of AWAM policies and procedures. This would be rolled out in time for the start of the new academic year and the action should be closed off by the next Audit Committee meeting.</p> <p>There were two outstanding action points from 2022-23 related to the Cyber Security Maturity Assessment. The new IT Head of Department had started in mid-January and would be tasked with finalising the review of</p>	

	contracts which, on completion, would allow for these actions to be closed off.	
7.2	<p>Q. How are actions that are not input into the Internal Audit Recommendations Follow Up Tracker monitored?</p> <p>A. Operational recommendations are tracked by the Heads of Department. The SLT track these internally through departmental reports and at the performance reviews.</p>	
7.3	Mr Lewis recommended that the External Audit actions also be added to the Follow Up Report to ensure these were embedded and received adequate oversight.	
7.4	ACTION: The DPS to add the External Audit action points to the Follow Up Report.	DPS
Governance and Risk		
8.	<u>Report on Whistleblowing, Fraud and Other Irregularities</u>	
8.1	<p>The DPS summarised the Report on Whistleblowing, Fraud and Other Irregularities:</p> <p>There had been no whistleblowing claims since the last report.</p> <p>Since 1 August 2024, there had been no fraud or irregularities with regards to the College bank account. However, there had been a fraudulent attempt using the College credit card details on 18 September 2024 which was previously reported.</p> <p>A report was presented providing a summary of the current status of the insurance claims, which had previously been requested by the Committee. No new claims had been made since the last report. There were four open insurance claims reported at the last meeting, one claim for £975.32 had been closed.</p> <p>At the last meeting, the Committee had requested an update on Bradford College Limited, a company registered at Companies House that had been issuing alleged Bradford College certificates. The College had contacted Companies House regarding the company and the latest records showed that it had been struck off and dissolved on 7 January 2025.</p> <p>Pro-active mitigation of cyber-attack continued to take place through daily patching and regular upgrades to servers.</p> <p>Penetration testing had been carried between 16-20 September 2024 and the IT team were awaiting a retest following some patch updates. The</p>	

	date of the retest was yet to be confirmed. Following this, a penetration testing report would be presented to the Audit Committee.	
8.2	<p>Q. Do we have an update on the open insurance claim from 2023?</p> <p>A. An update will be sought from the Estates department. Claims of this nature can take a number of years to settle.</p>	
8.3	<p>Q. Is it common to receive so few whistleblowing claims within the FE Sector?</p> <p>A. We encourage stakeholders to speak out and we foster a culture of transparency. Policies and procedures have been updated to provide better transparency.</p>	
9.	<u>Strategic Risk Management</u>	
9.1	<p>The Committee reviewed the strategic risks for which it had oversight:</p> <p>SR1 – Since the Risk Register had been presented in December, the gross score for SR1 had been reduced from 20 to 12 and the net score had been reduced from 12 to 9. Risk appetite in this area had therefore moved from averse to cautious.</p>	
Policies		
10.	None	
Any other business		
11.	<u>Items for report to the Corporation</u>	
11.1	<ul style="list-style-type: none"> • Minutes of meeting – 27 February 2025 – For information • Internal Audit Annual Report (Revised) – For information 	
12.	<u>Any other business</u>	
12.1	The VPF&CS advised that a recent audit of apprenticeships, which had been conducted by Forvis Mazars on behalf of the ESFA had raised some issues on record keeping. The Data and Funding Team were currently working through the queries that had been raised and an update would be brought to the next Audit Committee meeting.	
12.2	The Chair suggested that due to the small membership of the Committee and that there were only 4 meetings a year, that the Audit Committee meetings take place via MS Teams. Members agreed to conduct 3 out of the 4 Committee meetings online, with the December meeting remaining onsite.	
12.3	There was no other business.	

12.4	The Chair closed the meeting at 16:56.	
13.	<u>Meeting Evaluation</u>	
13.1	To be circulated by the Deputy Governance Director.	DGD

Approved by the Committee:

S. West

15.05.25

Signed by the Chair

Date

Agreed actions

No	Minute	Action	Who?
1	7.4	External Audit action points to be added to the Follow Up Report	DPS
2	13.1	Meeting Evaluation to be circulated by the Deputy Governance Director.	DGD