# South Staffordshire College
## Meetings of the Board of Governors

**Minutes of the Virtual Meeting of the Audit Committee**
**13 March 2024**
8:30am to 10:22am

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| **Governors present:** | Helen Simpson (Chair) 'HS'; Andrew Elsby-Smith; David Isteed; Philip Atkins |
| **Apologies:** | David Hoose 'DH' (Mazars) |
| **In attendance:** | John Snow (Deputy Principal – Finance and Resources) 'JS'; Roopa Patel-Harji (Internal Auditors – Validera) 'RPH'; Claire Boliver (CEP) 'CB'; Jo Hutchison (Head of Governance) 'HoG' |

**Decisions: in bold;** <mark style="background-color: cyan">Support: Blue;</mark> <mark style="background-color: yellow">Challenge: Yellow</mark>

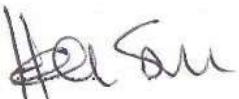| Audit | Procedural Matters | Actions |
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| 1.1 | **Welcome and Apologies for Absence**<br>HS opened the meeting at 8:30am and welcomed the governors and attendees to the Audit Committee. There were no apologies for absence from the members of the Audit Committee. David Hoose had given his apologies which were accepted. | |
| 1.2. | **Declarations of Interest**<br>There were no declarations of interest. | |
| 1.3 | **Items to be minuted as confidential**<br>The Committee considered if there were any items covered in the meeting which should be minuted confidentially and agreed these at the end of the meeting.<br><br>*RPH left the meeting.* | |
| | **Meetings between Management, Committee and Auditors** | |
| 2.1 | **Meeting between the Committee and Management without the Auditors present**<br>*[Redacted as a confidential and private meeting]* | |
| 2.2 | **Meeting between the Auditors and the Committee without Management present**<br>*[Redacted as a confidential and private meeting]* | |
| | **Minutes and Action Gid** | |
| 3.1 | *JS and CB rejoined the meeting at this point.*<br>Minutes<br>**Resolved: the minutes of the meeting 29 November 2023 be approved as a true record.** | |
| 3.2 | Action Grid<br>The Committee reviewed the action grid noting the actions closed and noted that:<br>• Minute 6.2 (29.11.23) – Policy Reviews, RPH reported that her IT specialist colleague had no comments on the IT Acceptable Use Policy.<br>• Minute 7.1 (29.11.23) - Planned Internal Audits, RPH reported that the two internal audits were planned in, however unfortunately the reports were not finalised in time for the March Committee meeting. A revised date for these to be circulated to Audit Committee members of 28 March 2024 had been agreed.<br>• Minute 7.2 (20.09.23) – Internal Audit Follow up Report, JS reported that an agency procurement manager had been recruited and would be working on the actions identified and a further update was provided at item 5.3 on the Agenda.<br>• Minute 7.2 (29.11.23) - Internal Audit Tracking Grid, JS reported that an agency procurement manager had been recruited and would be working on the actions identified and a further update was provided at item 5.3 on the Agenda.<br>• Minute 6.1 (29.11.23) - Annual Fraud Bribery and Regularity Report, JS reported that this would be covered at item 4.4 of the agenda.<br>• Minute 8.2 (29.11.23) – Risk Registers, JS reported that a risk around the new finance system had been added as part of a broader risk. JS reported that the current finance system did not go out of support until December 2025, with the new | |

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| | | finance system expected to be in place for December 2024. <mark>In response to a question from a Governor as to whether this was captured in the risk register</mark>, JS reported that it was.<br>• Minute 9.2 (29.11.23) – Sub-contracting proposal, JS reported that this item remained open, however, CB reported that it was unclear whether the proposal would proceed and a further update was expected to be available by 26 June 2024. | |
| | | **Data Protection, Fraud, Irregularity, Impropriety, Health & Safety, Cybersecurity and Whistleblowing** | |
| 4.1 | | **Annual Review of Data Protection / GDPR Report**<br><br>JS presented the report and highlighted that:<br>• The College had a Data Protection Policy in place which was reviewed in December 2022.<br>• The College outsourced its Data Protection Officer function to Staffordshire County Council.<br>• The College was successful in gaining the ISO27001 accreditation in Summer 2022 for its Lichfield Campus and this was the subject of a successful annual review in November 2023<br>• There had been no known data breaches in the last 12 months.<br>• Data Protection training was a mandatory module for all staff in College<br><br>JS reported that student and staff data was stored in new systems with good controls around them, and reminded the Committee that data protection was the subject of an internal audit in this academic year which would provide an external source of assurance for the Committee.<br><br><mark>A Governor asked for confirmation of the completion rate by staff of the mandatory data protection training,</mark> agreed that he would circulate the figure to members following the meeting.<br><br>*[Redacted due to confidentiality]* | **JS** |
| 4.2 | | **Cyber Security Report**<br>*[Redacted due to confidentiality]* | |
| 4.3 | | **Policies Reviews**<br>JS presented the Policy Reviews report which related to the Risk Management Policy. He reported that the Policy was an update of the existing Policy and the changes made were not significant.<br><br><mark>Following a question to the internal auditors from a Governor as to whether there was anything else which should be considered within the policy,</mark> RPH confirmed that she had no comments on the policy.<br><br>**Resolved: To recommend the Risk Management Policy to the board for approval.** | |
| 4.4 | | **Update related to Data Protection Fraud, Irregularity, Impropriety, Health & Safety, Cybersecurity and Whistleblowing**<br><br>JS reported that there were no new items to report in terms of any other regulatory matters, although he had received a recent complaint from a member of staff regarding data sharing which was yet to be investigated, and an update would be provided on that to the June 2024 Audit Committee meeting.<br><br>*[Item redacted from published minutes due to confidentiality]* | **JS** |
| | | **Internal Audit Reports and Action Grid** | |
| 5.1 | | Internal Auditors' Progress Report | |

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| | RPH reported that in December 2023, Validera became part of DFK UK and Ireland, one of the world's leading international accountancy and business advisory services, although Validera remained an independent entity.  RPH reported that this would support Validera in providing clients with access to a wider range of resources.<br><br>RPH reported that there had been no changes to the Internal Audit plan during the period. Once internal audits were completed, clients would be asked for their overall satisfaction on each review conducted. RPH reported that there was an error in the Progress Report in terms of the dates when the Audit Briefs were provided (where RPH reported these were all provided in November 2023) and this would be updated as part of the Progress Update report to be provided at the end of April 2024.   RPH updated the Committee on discussions with management to bring forward the date for the information governance and student records audits to be able to present the final reports to the June Audit Committee meeting.<br><br>==Following a comment from a Governor regarding the steps agreed== to ensure that the final reports for the Safeguarding and Performance Monitoring internal audits underway were circulated to Committee members by 28 March 2024, and a Progress Report being circulated by Validera at the end of April 2024, and the remaining three internal audit reports being completed in good time for consideration at the June Audit Committee meeting, it was agreed that the timetable in the Progress Report would be updated to reflect this.<br><br>==A Governor requested that the KPIs be updated to include a KPI on timescale / timeliness of internal reports provision to Committee meetings, to ensure internal audit reports were presented and completed in time for Audit Committee meetings.== RPH agreed that the KPIs would be updated to reflect that. | **RPH**<br><br><br>**RPH** |
| 5.2 | Internal Audit Recommendation Tracking Grid<br>JS presented the tracking grid and confirmed that the outstanding recommendation related to procurement, and progress had been made in this area with further details to be provided at item 5.3.<br><br>*[Redacted due to confidentiality]* | **JS** |
| 5.3 | Procurement Update<br>JS presented the report and highlighted:<br>• That the College had experienced some issues with procurement and had now hired a temporary Procurement Manager to support the College.<br>• As the College grew and became more successful at winning grant funding, the need to procure in an organised manner increased.<br>• There were a number of areas where the hired resource would be focussed including establishing preferred supplier lists, bundling expenditure, identifying frameworks, considering potential tender software, reviewing the College's tender processes and updating the College contracts register.<br>• Procurement would be the subject of an internal audit review in late April 2024.<br><br>==A Governor sought clarification on whether the procurement resource was temporary or would become permanent,== and JS reported that this current appointment was temporary, however the College would look to ensure there was a permanent procurement resource, including a potential opportunity being explored to share a resource with another educational establishment. | |
| 6 | **Risk Management**<br>Corporate Risk Register<br>JS presented the updated risk registers for 2023-24. The Risk Register formed part of the College risk management process.<br><br>JS highlighted the following high / very high or risks which were remaining for a significant period at a high level which included: | |

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| | • Risks around curriculum development, curriculum reform and the meeting local skills needs (C1, C22 and C23)<br>• Recruitment and retention of staff, (C4) which remained high despite positive staff surveys and the pay increases, challenges remained in recruiting to certain areas and as a result of new initiatives including the need to teach more hours of maths<br><br>*[Redacted due to confidentiality]*<br><br>A Governor sought further information on the prior review of the Risk Registers, where CB confirmed that the risk registers were included on the ELT schedule of business and considered regularly by ELT and JS reported that additionally they were considered in depth by the Risk Management Group prior to consideration by the Audit Committee.<br><br>Tamworth Relocation Risk Register - *[Confidential item minutes have been redacted from published minutes]*<br><br>Covenant Risk Register<br>JS reported that in terms of covenants these risks were low, following the execution of the Barclay's Amending Agreement. JS reported that the risk which remained, was around how the Tamworth project spend profile could impact in the events of delays to the programme, and whether there was a requirement to review how the different funding elements for the project was spent.<br><br>A Governor thanked JS for his work in this area and noted the strong relationships JS and CB had built with Barclays Bank and the importance of this.<br><br>Following a comment from a Governor that whilst there was an improvement in the covenant position, the positions with covenants could change, including changes of relationship managers, therefore it was agreed that the Covenant Risk Register would continue to be presented to this Committee. | **JS**<br><br><br>**JS** |
| 7 | **Any Other Business**<br>There was no other business.<br>*RPH left the meeting at this point.* | |
| 8 | **Re-appointment of the External Auditor**<br>JS reported that:<br>• Mazars had completed three years of their contract having successfully retained their contract for the 2020-21 financial year onwards.<br>• Mazars had performed well and had been supportive in working with the College through several issues in the 2022-23 accounts including issues with bank covenants/going concern in 2022/23 and 2023/24.<br>• For the 2023/24 external audit, Mazars would be allocating a new partner to the College as David Hoose had completed seven years as audit partner.<br>• A suggested questionnaire was shared to assist members in reviewing the external auditors' performance<br><br>In response to a question from a Governor as to whether the Committee would have an opportunity to meet the new partner before they start, JS reported that there were two more Audit Committee meetings before the audit work would start and he would expect that the new partner would attend the June Audit Committee meeting, where the strategy would be presented. A Governor stated that it would be good to meet the new partner before work started.<br><br>A Governor further commented as there was a new internal audit firm in post it would not be ideal to also change external auditors, unless required. Whilst it was right that there was a partner rotation, the Committee would want to meet the new partner. | |

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| | The Committee discussed and agreed that the rotation of partners was not expected to impact on the decision to re-appoint Mazars as external auditors, given the broader Mazars team and the fact that it was good practice for there to be rotation of lead partners.<br><br>A Governor requested that JS complete and circulate the KPI paperwork to the Committee.<br><br>**Resolved to recommend to the Board the re-appointment of Mazars as external auditors.** | **JS** |
| 9 | **Re-appointment of the Internal Auditor**<br>HS updated the Committee on the meeting with the Internal Auditors and the deadlines set to progress the internal audit reports in order to ensure that all reports were available in good time for the Committee's consideration before (by circulation) or at 26 June 2024 meeting.<br><br>*[Redacted due to confidentiality]* | |
| 10 | The meeting closed at 10:22am<br>The next meeting is at 8.30am Wednesday 26 June 2024 at 8:30am via Microsoft Teams | |

**Approved as a true record by the Audit Committee at their meeting on 27 June 2024**

**Chair of the Committee**