

**Minutes of the Virtual Meeting of the Audit Committee**  
**15 March 2023**  
8:00am to 10:00am

**Governors present:** Helen Simpson (Chair) 'HS'; Philip Atkins 'PA'; Andrew Elsby-Smith 'AES'  
**Apologies:** David Isteed  
**In attendance:** John Snow (Deputy Principal – Finance and Resources) 'JS'; Jane Butterfield (TIAA Internal Auditor) 'JB'; Claire Boliver (CEP) 'CB'; Carole Drury (external reviewer of governance); Mary Mellor (Head of Governance) 'HoG'

**Decisions: in bold; Support: Blue; Challenge: Yellow**

Audit	Agenda Item	Actions
1.1	<b>Welcome and Apologies for Absence</b> HS opened the meeting at 8:00am and welcomed the governors and attendees to the joint meeting. Introductions were made for the benefit of new attendees of the meeting. David Isteed was absent and his apologies were accepted. JS joined the meeting at 8:08am during item 3.4.	
1.2	<b>Declarations of Interest</b> There were no declarations of interest at the start of the meeting. During the meeting, as matters arose in items 4.1 and 6, PA declared his personal interest as a member of Staffordshire County Council and as a member of the panel for the Staffordshire Pension Scheme.	
2.1 2.2	<b>Meeting between internal auditors and the Committee</b> <i>CB left the meeting for this item</i> <i>[Redacted due to confidentiality]</i>	
3.1 3.2 3.3 3.4 3.5 3.6	<b>Minutes and Action Grid</b> <u>Minutes</u> <b>Resolved: the minutes of the meeting 28 November 2022 be approved as a true record.</b> <u>Action Grid</u> The Committee reviewed the action grid noting the actions closed and the updates on the following items: Procurement - The post of procurement manager had been re-advertised in March 2023 and would be carried forward to the next meeting. Gifts and Hospitality Register – the Committee asked for an interim register to be brought to the next meeting to evidence the actions that were being taken. Bank Covenants – JS confirmed that the banks would want to see the 3-year forecast before providing any waivers for the next financial year. This would be available in July 2023 following approval by the board. There would also be more certainty around the Tamworth Development as building works would have commenced. <b>The chair requested that bank covenants remain on the action plan as this was a key risk for the College.</b> Tamworth Risk Register – JS confirmed that he would now take this register to the College's Risk Management Group however, the best place to scrutinise the register was the Tamworth Relocation Project Group which had the building expertise. <b>The chair noted that this was in variance with the update provided in the papers.</b>	<b>JS</b>
4.1 4.2	<b>Fraud, Irregularity, Impropriety, Cybersecurity and Whistleblowing</b> <u>Annual Data Protection Report</u> JS presented the annual report for 2021-2022. The data protection policy is in place and was reviewed in December 2022. The College had renewed its DPO contract with Staffordshire County Council as the college was happy with the service provided. The College had gained ISO27001 accreditation for the Lichfield campus and the policies and procedures were being rolled out across all campuses as this was the standard they aspired to across the College. This would also be a focus for an internal audit in the summer term which would be reported to the committee. <i>[Redacted due to confidentiality]</i>	

4.3	[Redacted due to confidentiality]	JS
4.4	[Redacted due to confidentiality]	
4.5	[Redacted due to confidentiality]	
4.6	The Chair congratulated the College on its ISO accreditation and noted the intended roll out of policies and procedures across the College.	
4.7	<b>Policy Reviews</b> <u>Data Retention Policy</u> JS confirmed this was a new policy which incorporates the data retention schedule and would be compliant with ISO27001. <b>Resolved: to recommend approval of the policy to the board.</b> <u>Business Continuity Policy</u> [Redacted due to confidentiality]	
4.8	[Redacted due to confidentiality]	
4.9	<b>Resolved: to recommend approval of the policy to the board</b>	
4.10	<b>Any other regulatory matters</b> JS confirmed there had been no incidents of fraud or impropriety. The Health and Safety committee were due to meet the next day and would consider a RIDDOR incident which had occurred at Rodbaston.	JS
4.11	The Chair asked if there were any recurring themes or a risk that the audit committee should consider as a result of this incident. JS outlined the circumstances of the incident which had been fully investigated and confirmed the individual had recovered from the accident and was back at work. The parking at Rodbaston had been reviewed and parking had been restricted to the official car parks to reduce the risk of accidents in future.	
4.12	The Chair asked for a summary report of the accident and the actions put in place to prevent and mitigate it happening again to be brought to the next meeting. It was noted that this incident should be reported to the board meeting and CB confirmed this would be included in her principal's report. CB had immediately been informed of the incident and that she was satisfied that it had been dealt with immediately and in the right way.	
4.13	[Redacted due to confidentiality]	
5.1	<b>Internal Audit</b> <u>Curriculum Planning</u> JB presented the report which had resulted in substantial assurance and no recommendations. JB confirmed that the College has well documented curriculum planning and timetabling guidelines in place. The board had approved the curriculum plan in Summer 2023.	
5.2	The Chair noted it was unusual to have an audit report with no recommendations and congratulated all members of staff involved and asked for the committee's thanks to be passed onto them. JS noted that the risk management audit and the admissions audit in 2021-22 had both had no recommendations.	
5.3	In response to a question, JB confirmed it was rare to have a report with no recommendations and the college compared well with other colleges. CB outlined the complex approach to planning the curriculum and confirmed that it had already started for 2022-23.	
5.4	A governor also confirmed that they had attended a Rodbaston steering group meeting in which the curriculum planning included the use of buildings and local business needs.	
5.5	<u>Internal Audit Recommendation Tracking Grid</u> JS presented the tracking grid and confirmed that there were 17 completed actions and 4 outstanding recommendations. 3 of these were from the review of strategic control and were not yet due. There was one overdue recommendation around the recruitment of a procurement manager which was ongoing and would be reviewed at the next meeting.	
5.6	The Head of Governance confirmed the external review of governance would be completed in April and the remaining 2 recommendations around succession planning and governor development plan would be completed by the next audit committee.	
5.7		

5.8	<p>JB confirmed that TIAA would carry out a follow up audit later in the year but the progress made against recommendations was very good.</p> <p>A governor asked whether the risks around procurement could be mitigated prior to recruiting the new procurement manager by reviewing the top 20 suppliers from the accounts payable system of the College and checking that the appropriate processes had been followed. JS agreed that work could be done in preparation for the new manager including looking at the preparation of a supplier list. CB confirmed that informal annual reviews were carried out in many areas but this could be formalised. The chair raised the risks around procurement including value for money and fraud risks and requested that the audit committee see progress on this at the next meeting.</p> <p>The Chair praised the good progress in reducing the number of recommendations.</p>	
5.9		
6.1	<p><b>Risk Management</b> <u>Corporate Risk Register</u></p> <p>JS presented the updated risk register for 2022-23 which had been reviewed in advance by the risk management group. JS confirmed there had been no significant changes to the assessment of the risks but outlined the new risk around T-level provision and wider changes to Level 3 qualifications. JS advised that, on the recommendation of the risk management group, the risk register would be re-structured for the next meeting to link categories of risk.</p>	
6.2	<p>The Committee reviewed the risk registers in detail with JS outlining the significant change in the way Apprenticeships were being delivered which included a change in staff. Work was being done to improve processes and procedures. CB confirmed that ELT were working with the department to embed the new structure and improve quality of provision. The Committee noted there were actions to be completed by March and July and asked whether this would reduce the risk in this area. CB felt that the risk would go down and JS stated that a further report would be received at the next meeting.</p>	
6.3	<p>[Redacted due to confidentiality]</p>	
6.4	<p>A governor asked why the safeguarding risk was at medium when there had been a recent good internal audit report. JS confirmed that the internal audit had taken place in the previous year and this had resulted in a reduction of the safeguarding risk. As a balancing control, the College was improving its access controls across all sites due to having several town centre sites. The College did, however, have good safeguarding procedures in place and compared to other risks, this was a lower risk. The Chair stated that the Committee took safeguarding very seriously and this risk should be scrutinised carefully. JS assured the committee that the wording around the date of the internal audit would be updated.</p>	
6.5	<p><u>Covenant Compliance</u></p> <p>JS presented the covenant risk register and confirmed that the College was in a good position for the current year however the future years would be challenging due to the timing of the Tamworth Relocation Project. JS advised that once the 3 year forecast had been prepared the College would speak with the banks with whom the College still had a debt facility. The chair asked JS to outline the views of each of the banks as it currently stands given the importance of going concern as part of the audited accounts. JS explained that it was likely that the College would only have 1 bank loan outstanding and this bank was very understanding of the situation. Any additional borrowing by the College from the DfE may impact on that bank's decision making, however, the amount of debt being paid down by the College should have significantly reduced.</p>	
6.6	<p>The Chair asked for the report to the next meeting to include further information on the banks views regarding the current status and their plans regarding waivers, if possible including written evidence of the bank's support for the College. Governors asked about the College's relationship with the banks and whether they were aware of the Tamworth Development. CB and JS advised that they had good relationships with all the banks and met with them regularly to update them. The Committee discussed their concerns regarding the current global banking situation and noted that the challenge can be where staffing changed within the banks.</p>	JS
6.7	<p><u>Capital Project Risk – Tamworth Relocation Project 'TRP'</u></p> <p>[Redacted due to confidentiality]</p>	

7	<b>Any other Business</b> There was no other business for all attendees and JB left the meeting at this point. HS thanked JB for her contribution.	
8.1	<b>Reappointment of External Auditor</b> The committee discussed the work carried out by the external auditor for 2021-2022 and agreed there had been no issues with their performance. The HoG reported that the members of the Finance Improvement Group had been satisfied with the external auditor's performance from their perspective. The HoG was asked to circulate the feedback form to all members of the Committee to complete independently by 20 <sup>th</sup> March to support JS's recommendation that Mazars be reappointed as the external auditor for 2022-23	<b>MM</b>
8.2	<b>Tender Process for the Appointment of Internal Auditors</b> JS reported that TIAA were in their final year of a 5 year appointment and the College would therefore tender for a new Internal Audit Service contract beginning in the 2023-24 financial year. The tender process would be through the Crescent Purchasing Consortium and the timetable would allow the new audit contract to be approved at the next meeting in June and the new audit plan agreed at its meeting in September 2023. The Committee agreed the criteria of 50% weighting for each of price and sector experience. <b>Resolved: the committee approved the timetable and criteria for the tendering of the internal audit contract.</b>	
5.10	<b>Internal Audit (item 5)</b> JS drew the Committee's attention to his report for Item 5 (Internal Audit) and explained that an internal audit on funding and data integrity of apprenticeships was due this year. JS explained that due to the significant changes in Apprenticeships provision and the already high levels of scrutiny, he recommended replacing this internal audit with an internal audit on funding and data integrity of full time study programmes. These made up the majority of College's funding and there had recently be a change of personnel in this area. The Committee discussed and agreed to recommend this to the board for approval as the board and its committees would be updated on Apprenticeships on an ongoing basis. <b>Resolved: to recommend the change to the Internal Audit Plan to the board.</b>	
9	<b>Meeting between the members of the Committee and Management</b> <i>[Redacted due to confidentiality]</i>	
	The meeting closed at 10:00am The next meeting is at 8am Wednesday 28 June 2023 via Microsoft Teams	

**Approved as a true record by the Audit Committee at their meeting on 28 June 2023**