

**Minutes of the Virtual Meeting of the Audit Committee**  
**27 June 2024**  
8:30am to 10:45am

**Governors present:** Helen Simpson (Chair) 'HS'; Andrew Elsby-Smith; David Isted; Philip Atkins  
**Apologies:** None  
**In attendance:** John Snow (Deputy Principal – Finance and Resources) 'JS'; David Hoose 'DH' (Mazars); Helen Knowles 'HK' (Mazars); Lee Glover 'LG' (Validera – Internal Auditors); Roopa Patel-Harji (Internal Auditors – Validera) 'RPH'; Claire Boliver (CEP) 'CB'; Jo Hutchison (Head of Governance) 'HoG'

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

| <b>Audit</b> | <b>Procedural Matters</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Actions</b> |
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| 1.1          | <p><b>Welcome and Apologies for Absence</b></p> <p>The Chair opened the meeting at 8:30am and welcomed the governors and attendees to the Audit Committee. There were no apologies for absence.</p> <p>JS joined the meeting at the start of item 3.1 at 8.44am</p> <p>The Chair welcomed HK to her first Audit Committee meeting and invited DH to introduce HK to the Committee.</p> <p>HK advised the Committee that she had worked in the education for over 20 years and prior to joining Mazars in March 2024, she had worked at BDO since 2018 in the not for profit and education team.</p> <p>The Chair thanked DH for all his work over the years at the College and DH reported that he had enjoyed working with the College</p> <p>DH left the meeting at 8.33am.</p> <p>The CEP updated the Committee on the recent OFSTED Inspection, which had graded the College as Good across the board. The CEP reported that the College was notified of the inspection immediately after the Easter holiday and the improvement in Apprenticeships was welcomed and overall the College was delighted with the outcome.</p> <p><b>The Chair congratulated the College on the Good outcome and noted that she was aware that the College would take forward the areas for improvement identified.</b></p> |                |
| 1.2.         | <p><b>Declarations of Interest</b></p> <p>There were no declarations of interest.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |
| 1.3          | <p><b>Items to be minuted as confidentially</b></p> <p>The Committee agreed that this item would be considered under Any Other Business at the end of the meeting.</p> <p><i>CB left the meeting.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |
| 2            | <p><b>Meeting between the Auditors and the Committee without Management present</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                |
|              | <p>The Chair invited HK to provide any feedback.</p> <p><i>[Redacted as a private and confidential meeting]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                |
|              | <p><i>Item 4.1 and 4.2 were considered before item 3.1 – CB rejoined the meeting for consideration of item 4.1 onwards and JS joined the meeting during item 3.1 (and after items 4.1 and 4.2 had been considered).</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |
| 3            | <p><b>External Audit Strategy Memorandum</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                |
| 3.1          | <p>The Chair invited HK to introduce the Audit Strategy Memorandum.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                |

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|     | <p>HK introduced the Audit Strategy which she reported had been produced following a really helpful planning meeting with JS and his team.</p> <p>HK highlighted the following areas in the planned Audit Strategy:</p> <ul style="list-style-type: none"> <li>• The proposed approach for the audit this year was set out and was unchanged from the approach last year and included the significant audit risks, materiality, the team and timetable for the work. HK highlighted the following areas within the Strategy: <ul style="list-style-type: none"> <li>➢ Timetable; planning work due to completed during August, controls testing taking place in October with the final Audit field work taking place later in October to report to the November meeting.</li> <li>➢ Significant risks which had been identified; first two were revenue recognition and management overrides (both mandated by the auditing standards) and pensions and going concern including loan covenant compliance</li> <li>➢ Significant judgements; as last year, pension assumptions had been identified.</li> <li>➢ Audit fees; these reflected an inflationary increase over last year.</li> <li>➢ Confirmation of independence</li> <li>➢ Materiality; proposed to be £520,000 for the audit based on prior year income, proposed clearly trivial threshold to be £15,000 based on 3% of materiality. HK reported that the auditors would only report to the Committee any adjustments which were above the materiality levels. These levels would be reviewed once the financial statements were received and any changes to thresholds would be reported to the Committee.</li> <li>➢ Appendices; an update on financial and reporting matters where there were no changes to report for this year, however there were changes expected in the coming years to bring FS102 in line with the requirements of international reporting standards and the main changes were expected to be around leases coming on to the balance sheet.</li> </ul> </li> </ul> <p>A Governor sought clarification of whether the fees reported in the Strategy included the costs of any covenant compliance certificates, where HK reported that they did include this and she would review the documentation to ensure this was clear.</p> <p>A Governor sought clarification in terms of the risk to the College to what extent did the Audit Strategy cover the Tamworth project which was a significant project for the college. HK reported that this would form a key element of their work for this year and their testing. HK reported that the auditors had received a comprehensive update from JS. HK reported that she would include a detailed section within the audit completion report of the work done in this area.</p> <p><b>Resolved to recommend approval of the External Audit Strategy Memorandum to the Board</b></p> | HK |
| 4   | <b>Minutes and Action Gid</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |
| 4.1 | <p><u>Minutes</u></p> <p><b>Resolved: the minutes of the meeting 13 March 2024 be approved as a true record.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |    |
| 4.2 | <p><u>Action Grid</u></p> <p>The Committee reviewed the action grid and noted that all actions were closed except:</p> <ul style="list-style-type: none"> <li>• Internal Auditors Progress Report – RPH reported that these were standard KPIs in the Progress Report and Validera felt that the KPI on timeliness of briefs and reports had been met. LG confirmed that he also felt this was appropriate. The</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |

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|     | Committee had challenged the timeliness KPI as it had been expecting two audit reports at the March meeting and therefore this action would remain on the Action Grid.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |
| 4.3 | <p><u>Procurement Update</u></p> <p>JS presented the report and highlighted that:</p> <ul style="list-style-type: none"> <li>• There were a number of procurement related actions on the Finance Group and Audit Committee action grids as well as one outstanding recommendation from a previous audit.</li> <li>• The College had previously had a limited assurance Procurement internal audit, however had just completed a more recent internal audit with substantial assurance.</li> <li>• The College had employed a Procurement Manager on a fixed term basis who had provided the College with much needed capacity to work on procurement. This contract had been extended to Christmas 2024. In the Autumn term the College would look to recruit to a permanent position.</li> <li>• Procurement continued to be an important topic particularly since colleges were reclassified as public sector organisations.</li> </ul> <p><i>[Redacted due to confidentiality]</i></p> <p>A Governor sought clarification as to how the role could be structured, and JS reported that an option would be to appoint to an officer role with a consultant appointed to have oversight. JS reported that in addition some other options to share a procurement resource had been considered, as well with a totally outsourced solution.</p> <p>The Chair thanked JS for the comprehensive report.</p>                                                                                                         |    |
| 5   | <b>Data Protection, Fraud, Irregularity, Impropriety, Health &amp; Safety, Cybersecurity and Whistleblowing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |    |
| 5.1 | <p><b>Grant awards compliance Report</b></p> <p>JS presented the report and highlighted that:</p> <ul style="list-style-type: none"> <li>• The College had a large number of projects running currently, many of which were capital projects but some of which also had a partial or full revenue aspect.</li> <li>• The various grants were usually awarded alongside targets that the College needed to complete either immediately or over a period of time.</li> <li>• Theoretically the grant funders could clawback funds where these targets had not been met, so it would be important to continue monitoring outcomes against targets until the College could sign off the completion of the project with confidence that there would be no liabilities.</li> <li>• Although some grant outcomes were reviewed quarterly, it was the intention that the College confirmed compliance with its grants on an annual basis in the early Autumn, which would allow the College to confidently confirm compliance with funding requirements and to provide assurance that clawback was unlikely or low risk.</li> </ul> <p>The Chair highlighted that she had found the report a very helpful report and welcomed this report.</p> <p>A Governor sought clarification on the basis of the learner numbers for the Cannock Chase Engineering Academy where the outputs were significantly ahead of the targets, JS agreed to provide further details on the basis of the numbers in the September report.</p> | JS |
| 5.2 | <p><b>RIDDOR Report</b></p> <p>JS presented the report and highlighted that:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |

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|     | <ul style="list-style-type: none"> <li>Whilst this report was not a regular report, the previous time the Committee had received a report related to three RIDDOR ("the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations") reportable incident in early part of 2023, where the College had notified the Health &amp; Safety Executive ("HSE")</li> <li>There had subsequently been two incidents (both in April 2024) which had required a RIDDOR notification. Both had been reported to the Health &amp; Safety Committee.</li> <li>The two incidents were slips or trips involving members of staff, one was carrying an item downstairs. Further details of these incidents plus any mitigating actions were contained in the main report. Both the incidents were investigated and further awareness activities would be undertaken from September.</li> <li>A summary of all first aid incidents, including RIDDOR reportable incidents, were reported at the termly H&amp;S Committee and in the annual H&amp;S Report to the Board in Autumn.</li> </ul> <p>A Governor sought clarification about the training in place and what the level of compliance was for this training. CB reported that the ELT monitored the compliance of all of the mandatory training modules on a monthly basis, and where necessary non completion was chased by managers. CB reported that compliance with health &amp; safety training was high and curriculum managers were invited to attend the Health &amp; Safety Committee.</p> <p>A Governor sought clarification as to whether there were lessons learnt exercises undertaken, and JS reported that the investigations included lessons learnt exercises and that the first incident resulted from an individual not utilising a lift when carrying an item and that therefore the college would be raising the profile of slips and trips and increasing the signage.</p> <p>A Governor requested the health &amp; safety training compliance data for the next meeting and also details around the signage (slips and trips) being put in place.</p> | JS |
| 5.3 | <b>To receive a report on any other regulatory matters</b><br>JS reported that there was nothing further to report in this area.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    |
| 6   | <b>Internal Audit Reports and Action Tracking Grid</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |
| 6.1 | <p><u>Internal Auditors' Reports</u></p> <p>The Chair invited LG and RPH to present the internal audit reports to the Committee.</p> <p>LG introduced the <u>Performance Management</u> audit report and highlighted that there was adequate assurance overall with four green recommendations which were; to consider reducing the number of KPIs reported to the Board, putting some definitions behind them to help improve resilience and reduce key person risk, maintain an audit trail for the production of the KPI master sheet, and to formalise action plans (the recommendation to formalise action plans had not been accepted by management).</p> <p>A Governor sought clarification on why one of the recommendations was not accepted by management, CB reported that this recommendation was to introduce formal action plans to explain the corrective actions to bring performance back in line with expectation. CB reported that the commentary in the Principal's Report (which accompanied the KPI sheet) addressed any KPIs which were not performing to the expected target, and therefore the benefit of producing another action plan was not clear. The KPI sheet would be considered at the July Board meeting, where a reduction in the numbers of the KPIs was proposed and if the Board felt there was a benefit in another action plan, this could be introduced.</p> <p>LG clarified that Validera was not suggesting another document be created, rather to improve the KPI schedule with another column.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    |

LG introduced the Safeguarding audit report and highlighted that there was adequate assurance. LG noted that completeness checks were undertaken which was positive. There were three recommendations relating to; cross referencing with policies; the maintenance of information on staff, governors, volunteers and contractors; and increasing the frequency of checks on the SCR. One recommendation had not been accepted. LG noted that OFSTED were content with the arrangements in place which LG understood.

A Governor sought clarification on why one of the recommendations was not accepted, which meant that across two reports there were two recommendations which had not been accepted which was disappointing. LG reported that for transparency this was the best way to approach this. There was no requirement for management to accept the recommendations and this way the Audit Committee could see the position transparently.

LG introduced the Procurement audit report which demonstrated there was substantial assurance with no recommendations being made. LG noted that the College was already implementing a Preferred Supplier List which could assist in achieving value for money and volume discounts and reduce administration in the background. LG noted the inclusion within the Financial Regulations of the waiver process where the College could not comply. LG commented that a lot of colleges were having difficulty appointing builders / constructors to undertake work and were having to award on the basis of a single quote and therefore to have this transparency and have those waivers was good practice.

A Governor sought clarification on the extent to which having the procurement contractor in place had led to such a good audit report, and whether the College was confident that when the appointee left that processes were embedded. JS reported that having the appointee in place had been a massive part of this, and whilst it was expected that she would move on, the role was permanent and the appointee was not expected to leave until we had a replacement. JS reported that the interim procurement manager had been working on both operational activities and also on embedding processes and she was sought out by members of staff for her support.

A Governor commented that it was pleasing to see such a positive report however this was quite a shift from the previous limited assurance report on procurement and therefore they questioned the depth of testing and how assured could the Committee be that the position was this positive, as it was quite a transformation from the last internal audit report on this. LG reported that this was the result of the work on this occasion, obviously things had changed with a new person in post and he did not have access to the previous internal audit files. Points had been noted which were already being addressed and therefore were not added as recommendations. He added that an audit report was valid at the point in time and where there was change there would always be the opportunity for matters to improve or worsen.

JS reported that the previous limited assurance report was nearly four years ago so there had been plenty of time to move things on.

RPH introduced the Information Governance audit report and reported that a adequate assurance had been given which demonstrated that the systems and controls relating to this area were adequate. RPH highlighted the three actions in total, one of which was amber which related to training and monitoring staff compliance, and two green actions relating to third parties and data protection Article 30 remained up to date. RPH reported that management had accepted all three recommendations.

RPH introduced the Student Records – Apprenticeship On-boarding audit report and reported that substantial assurance had been given which demonstrated that the systems and controls in this area were substantial. There was one green action which related to formally obtaining and recording details of employment which was accepted by management.

A Governor reported that it was pleasing to see such a positive report, however the question was around the depth of testing undertaken given this was an area which many colleges

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|     | <p><b>struggle with.</b> LG reported that the area of apprenticeships was an area where issues were often found and the team were well versed in reviewing apprenticeship records. The OFSTED inspection, whilst focusing on quality, was also positive on apprenticeships. JS reported that the feedback from the Director of MIS was that the auditors had had a good look around and had tested to a depth. JS reported that in the past there had been problems with apprenticeship data, and this was an area where steps had been taken to correct this with a specific person looking at apprenticeship data than that no one was added to the system until all the data required to be added on the system was available.</p> <p>CB reported that following the last audit the management of the data was moved from apprenticeships into MIS and the data side of apprenticeships had been as rigorously monitored just as the quality side of apprenticeships. CB reported that she was confident that a really good job was being done in this area and that any issues were flagged as soon as they arose.</p> <p>RPH introduced the <u>Follow-up Report</u> where a positive opinion had been given and demonstrated assurance over the accuracy over management's own recommendations tracking, with the level of assurance being substantial.</p> <p><b>A Governor reported that it was really pleasing to see such a good report, however, the governors questioned the depth of testing (whether it was in depth, light touch or in between) given many of these recommendations were from TIAA (the previous internal auditors') recommendations.</b> LG explained that the way Validera managed follow up was that management provided a tracker about management's recommendations which improved the ownership of the recommendations. This was reported to each Audit Committee. In the Follow up audit, Validera had reviewed the report provided and taken a sample of the recommendations and look for the evidence to provide comfort that these recommendations had been actioned and that was what Validera had found, it was good, so that the Audit Committee could trust in the information management provided to the Committee.</p> <p>The Chair thanked LG and RPH.</p> <p>LG presented the <u>Progress Report</u> which showed that everything was complete in terms of their work and that there had been no changes. It also drew attention to sector updates, including the College Financial Handbook and the updated Post 16- Audit Code of Practice (ACOP) where there was little change this year although more change was expected next year on the Post 16 ACOP. One of the changes this year in the ACOP related to the Annex G audits and when these were required. At the moment it appeared that for existing grants, if an Annex G audit was specified (which meant a certification of the expenditure associated with grants), this would still be required.</p> <p><i>[Text redacted due to confidentiality]</i></p> |  |
| 6.2 | <p><u>Recommendation Tracking Grid</u></p> <p>JS presented the tracking grid and reported that:</p> <ul style="list-style-type: none"> <li>• The College started the year with 8 active internal audit recommendations.</li> <li>• Of these, seven recommendations had subsequently been completed and one had been subsequently reassessed as being completed relating to Procurement which was addressed at item 4.3 on this agenda.</li> <li>• The two recommendations from the 2022/23 financial statements audit had also been added to the Tracking Grid to show progress against these actions.</li> <li>• Eleven further internal audit recommendations had been added in 2023/24 from the five completed internal audit reviews.</li> </ul> <p>JS reported that there were no overdue actions.</p> <p><b>The Chair thanked JS for the report and the progress that had been made.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |



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| 6.3 | <p><u>Internal Audit Strategy (IAS) and Annual Plan</u></p> <p>RPH reported that discussions were held with management to discuss the rolling three year plan and identified proposed areas for review next year. RPH highlighted that she had met with JS and the HoG and had reviewed Audit Committee and Board meeting minutes. She highlighted the planned areas of review and focus for 2024/25:</p> <ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Finance Business Planning &amp; Stress Testing</li> <li>• Core Financial Controls (focus area of Income and Debtors)</li> <li>• Health and Safety</li> <li>• Bursary &amp; Learner Support</li> <li>• Marketing (including social media)</li> </ul> <p>The Chair asked for confirmation of the number of audit days in the 2023/24 plan, which it was confirmed was 32 days. The proposed plan included 35 days and did reflect one additional audit. The Chair requested that the Committee consider:</p> <ul style="list-style-type: none"> <li>• Whether the Committee were content with 35 days for the next year (in comparison to the previous 32 days and before that around 28 days)</li> <li>• the Strategy overall and whether there was anything which could be re-prioritised.</li> </ul> <p>RPH reported that the Financial Business Planning &amp; Stress Testing had been brought over from the previous internal auditors strategy and had been re-prioritised from the current year to next year when the plan was considered in Autumn 2023.</p> <p>A Governor commented that he did not consider that the Financial Business Planning &amp; Stress Testing was a control issue and that the Board could judge the performance in this area from the information it received from the executive.</p> <p>A Governor commented on whether Marketing was an area which required prioritisation and whether this one was value for money given the positive assurance received previously and the current strong student numbers. A Governor commented that the social media area was an area which could impact reputational risk and that he would welcome a review of this area.</p> <p>The Chair sought the internal auditors views on removing the Financial Business Planning &amp; Stress Testing and LG confirmed that this had been carried forward from a previous plan and Validera had no strong view on this being retained.</p> <p>The Chair sought the views of the Committee on whether the proposed number of days was too much, too little or just right. In response to a comment from LG that he would not consider undertaking an audit with less than three days allocated, the Chair reported that this was not being suggested and that she was seeking the views of the Committee on the overall number of days and whether they were too much or too little or about right.</p> <p>JS highlighted that in terms of the student data / MIS area the suggestion in the current Strategy was for an audit of Learner Support and Bursaries. This was an area which would be helpful to the college given that two high risk areas in Student Records had been undertaken in the last two years. However, he sought the external auditors' views as to whether a report on Learner Support and Bursaries area would provide sufficient assurance or whether this would require more work from the external auditors to be undertaken and in which case the Internal Audit Strategy could need further review.</p> <p>Following a question on whether the proposal was to remove the Finance Business Planning &amp; Stress Testing from the three year plan (and add to Not Currently Prioritised areas) or to move it to a later year within the three year plan, a Governor commented that the removal from the three year plan (whilst retaining it under the not Currently Prioritised areas) felt most appropriate given the work with the executive team on strategic planning and stress testing</p> | JS / HK |
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|   | <p>which was routinely undertaken, and also that the Finance Group already undertook this assurance role for the Board in terms of stress testing the plan.</p> <p>RPH reported that the audits had been reviewed and the order of commencing these and in which term so that they could be aligned with Committee meetings to ensure these reports could be presented at the agreed timeframes within the academic year.</p> <p><b>Resolved that the Committee recommend to the Board the draft Internal Audit Strategy and Annual Plan with a total of 30 audit days, with the removal of the Financial Business Planning &amp; Stress Testing from 2024/25 to Not Currently Prioritised.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| 7 | <b>Risk Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |
|   | <p><u>Corporate Risk Register</u><br/>JS presented the updated risk registers for 2023-24. The Risk Register formed part of the College risk management process.</p> <p>JS highlighted the following high / very high or risks:</p> <p>C14 – Risks of undertaking the <u>Tamworth Town Centre Development</u>. <i>[Redacted due to confidentiality]</i></p> <p><i>[Redacted due to confidentiality]</i></p> <p>C23 – <u>Qualifications Reform</u>. There was a limited amount that the College can do to mitigate this government policy however by keeping abreast of live, funded qualifications and ensuring that pathways remained available for all standards of learner, we had been able to maintain learner numbers.</p> <p>C4 – <u>Risk of losing staff</u>, being unable to recruit new staff or not having succession plans in place. The College had done much work to mitigate this and making the College an attractive place to work, both in terms of salary, benefits and wider attractiveness of the College as a workplace.</p> <p>C8 – <u>Failure to execute the College Property Strategy</u>. The College was mitigating against the lack of capital investment money by ensuring that it had projects ready to commence quickly should capital money suddenly become available again.</p> <p>C16 – <u>UK Economic Outlook and risks to public spending</u>. The College had very little control over this risk and the risk had increased due to the impending election. Education had not featured heavily in campaigning and it was clear that public funding would be tight in the medium term. This also linked to Risk C8 and the availability of capital as well as revenue funds.</p> <p><i>[Redacted due to confidentiality]</i></p> <p><u>Covenant Risk Register</u><br/>JS reported that in terms of covenants these risks were low for 2023/24 and 2024/25.</p> <p>A Governor sought clarification on whether the Loan with the DfE included any financial covenants. JS reported that there were none in the DfE Loan.</p> <p>A Governor sought clarification on whether with such large headroom this provided an opportunity to renegotiate the Barclays loan. The large amount of headroom was partially created by the variation agreements put in place by the College and Barclays Bank to avoid breaches in covenants due to the Tamworth New Build. JS noted the point.</p> <p><u>Tamworth Relocation Risk Register</u> - <i>[Confidential item redacted from published minutes]</i></p> |  |



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| 8 | <b>Governance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |     |
|   | <p>The Head of Governance presented her report and highlighted the following:</p> <ul style="list-style-type: none"> <li>• A review of the Post 16 Audit Code of Practice (ACOP) had been undertaken and there were no areas identified from that which needed to be added to the Committee's Terms of Reference</li> <li>• The Committee's Terms of Reference had been reviewed and the proposed updates were to include reference to the Grant awards compliance report.</li> <li>• the draft Evaluation Questionnaire had been partially completed for the Committee to review and update as necessary and to then consider the score and the impacts and areas of improvement for inclusion;</li> <li>• In addition to the self evaluation it was highlighted that feedback had been sought and was recorded at the end of the questionnaire document from the Chair of the Board, the External Board Review (considered and received by the Board in July 2023), the External auditors and the internal auditors.</li> <li>• The schedule of business and schedule for next year's meetings had been prepared for the Committee's consideration prior to forwarding for Board approval</li> </ul> <p>Self Evaluation – it was agreed that the Head of Governance would circulate to members the form for members consideration and completion by email and returned to the HoG by close of play on Monday 1 July 2024..</p> <p>The Chair sought any further feedback from the internal auditors and external auditors on the Committee's performance beyond that recorded in the report and both confirmed they had nothing further to add.</p> <p><u>Schedule of Business &amp; Terms of Reference</u> - The Committee's schedule of business would be updated to include the receipt of an update on Business Continuity annual to the June meeting.</p> <p><b>Resolved to recommend to the Board the approval of the proposed updated Terms of Reference</b></p> <p><u>Schedule of Meetings 2024/25</u> - the Committee discussed the planned Schedule of Business for the Committee and the proposed Schedule of meetings for 2023/24 which were:<br/>Monday 16 September 2024 at 8.30am <b>date still to be confirmed</b><br/>Wednesday 27 November 2024 (joint meeting with the Board to consider then financial statements) at 8.30am<br/>Wednesday 26 March 2025 at 8.30am<br/>Wednesday 18 June 2025 at 8.30am</p> <p><b>Resolved that the draft Schedule of Business and proposed meeting dates be recommended to the Board</b></p> <p>The Chair thanked the HoG for her work and also for including the other relevant documentation within the Governance Report which was very helpful.</p> | HoG |
| 9 | <b>Any Other Business</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     |
|   | <p><i>[Redacted due to confidentiality]</i></p> <p>There was no other business.</p> <p>The Chair of the Committee thanked the auditors for their attendance.</p> <p><i>HK, LG and RPH left the meeting at this point.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |



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| 10 | <b>Meeting between the Committee and Management without the auditors present</b>                                                                                                                                                                                                                                                                                       |  |
|    | <i>[Redacted as a confidential private meeting]</i>                                                                                                                                                                                                                                                                                                                    |  |
| 11 | <b>Re-appointment of the Internal Auditor</b>                                                                                                                                                                                                                                                                                                                          |  |
|    | <i>[Text redacted as item was considered confidential.]</i><br><br><b>Resolved that the Audit Committee recommend to the Board that:</b> <ul style="list-style-type: none"><li>• Validera be re-appointed as internal auditors for the year 2024/25, and</li><li>• the College go out to tender to appoint internal auditors with effect from 1 August 2025.</li></ul> |  |
|    | The meeting closed at 10:45am                                                                                                                                                                                                                                                                                                                                          |  |

**Approved as a true record by the Audit Committee at their meeting on 26 September 2024**

**Chair of the Committee**