

Minutes of the Audit Committee Meeting

held Tuesday 8 March 2022

Present Helene Jones (*Chair*), Tiffany Harvey-Pallent, Mark Sterling, and Joanne Rouse.

In attendance Jacque Carman (*Vice Principal and Chief Operating Officer*)
Jennifer Sunter (*Clerk to the Corporation*)

1		Apologies
		Apologies were received from Clare Parkes (<i>TIAA Ltd</i>)
2		Declarations of Interest
		There were none.
3		Minutes of the Audit Committee Meeting held 30 November 2021 and Matters Arising
		The Minutes of the Audit Committee Meeting held 30 November 2021 were approved as a correct record Under matters arising the Clerk confirmed that outstanding actions pertaining to a Conditions of Current Funding Update and the provision for internal and external audit services were provided for under the agenda.
4		Progress Report on Audit Action Plans and Policy Tracking of Audit Recommendations
		In monitoring the progress made against audit actions members noted where actions were addressed. Members also discussed how some areas of work superseded listed actions, such as the planned replacement of Pay My Student with a more integrated system that better supports student awareness and access. With reference to Apprenticeships and off job training, members further noted that a consultant review of Apprentices was being undertaken and, that evidencing this off the job training is a high risk area.
		The Audit Committee noted the progress report and agreed that items with the status of closed and no longer relevant be removed from the list. That the Audit Committee approved the associated revised policy on Tracking of Audit Recommendations.
5		Audit Plan 2021/2022 Mid-Year Update (verbal update)
		Members noted the timetable for internal audit work, in accordance with plan, as now scheduled between March and June 2022.
6		Conditions of Current Funding - Self-Assessment of Compliance, Financial Memorandum Update

	<p>Good progress on the actions arising from the self-assessment against conditions of funding was reported and it was noted that risk factors were predominantly green under the rag rating system.</p> <p>Other action points were reported including an audit of the single central record (SCR), and a review of the anti-fraud suite of documents. In addition, members noted that further training and updates to support both GDPR and anti-fraud were being actioned.</p> <p>Members discussed the training undertaken regarding cyber-attacks and lessons learned shared from an organisation which had experienced a real attack.</p> <p>The Audit Committee was satisfied with the monitoring update.</p>
7	<p>Risk Management Mid-Year Update 2021/2022</p> <p>Members considered the updated position on current and emerging risks facing the College, indicating where risk had increased or decreased and where new risks had arisen. Overall, the College was operating in an environment that was now more heavily risk laden.</p> <p>A range of factors impacting on the increasing difficulty in recruitment and retention of staff were considered.</p> <p>Members were aware of the increased threat of cybercrime.</p> <p>Student mental health, exam anxiety, low attendance, withdrawal from courses, in addition to an increase in challenging behaviour were also noted as areas of increasing concern.</p> <p>Conversely risks relating to the supply chain had decreased and it was reported that the College would meet its Adult Skills Contract but not the National Skills Fund allocation.</p> <p>Members asked about the impact on students of rising food costs in College outlets. It was noted that prices had increased, however the College had increased the student allowance provision substantially to address this.</p>
	<p>The Audit Committee noted the mid-year update and recommended that the summary be provided for the Corporation as appropriate.</p>
8	<p>Anti-Fraud Self-Assessment Checklist and Suite of Policies</p> <p>i. Anti-Bribery Policy</p> <p>ii. Anti-Fraud Policy</p> <p>iii. Anti-Money Laundering and Proceeds of Crimes Policy</p>
	<p>It was noted that the College takes a proactive approach to address the drivers of fraud. While there was increased risk of cyber fraud there were a range of mechanisms in place to mitigate risk. The College was also seeking reaccreditation for Cyber Essential but there were increased challenges in achieving this.</p> <p>The suite of policies on anti-fraud had been updated for approval, which together with training would further raise awareness to staff. Each policy was clear on purpose, meaning, roles and responsibilities and on how to report a concern. Members praised the reports which were well written and in an accessible and user-friendly format.</p>
	<p>The Audit Committee resolved to approve the Anti-Fraud Suite of Policies</p> <p>i. Anti-Bribery Policy</p>

		<p>ii. Anti-Fraud Policy</p> <p>iii. Anti-Money Laundering and Proceeds of Crimes Policy</p> <p>The Audit Committee received the updated Self-Assessment Checklist and noted that :</p> <ul style="list-style-type: none"> • The operational audit plan for 2021/22 again includes a review of digital systems with emphasis on secure network and that the College is also seeking reaccreditation for Cyber Essentials, although this is not without challenge. • The audit plan includes a systems-based audit on key financial controls. • Proposals are being made to the Corporation on pay at the March 2022 meeting and staff briefings are being used as an opportunity to discuss challenges such as the increase in National Insurance contributions and rising prices. The senior team have a strong and proactive relationship with recognised trade unions.
9		Review of Whistleblowing
		<p>In reviewing arrangements for whistleblowing members were supportive of the use of the clear and accessible leaflet to support staff in knowing the route for raising a whistleblowing concern.</p> <p>Members also noted that the College also sought to achieve the whistleblowing benchmark and was working with Protect (formerly known as Public Concern at Work).</p>
	Action 9a	It was agreed that the College's external auditors be approached regarding adding their contact details in the policy and leaflet.
		The Audit Committee approved the revised Whistleblowing Policy and commended the staff leaflet.
10		Review of Freedom of Information
		<p>In considering the arrangements regarding Freedom of Information compliance and transparency it was understood that the policy and publication scheme had been reviewed and updated and were reflective of best practice.</p> <p>It was appreciated that greater clarity in the documentation would support transparency and appropriateness of usage.</p> <p>The Audit Committee would receive monitoring reports with any concerns reported.</p>
		The Audit Committee approved the revised Freedom of Information Policy and model publication scheme.
11		Review of Disaster Management
		<p>Members considered the revised approach to disaster management following the recent experience of a bomb hoax. A desk top training session had been undertaken and this had resulted in action points.</p> <p>The revised policy and plan had been updated to reflect changes in staff, roles and responsibilities, changes in the estate and to include detail regarding evacuation and lock down.</p>
		The Audit Committee approved the revised Disaster Recovery Plan and Major Incident Policy and noted the feedback from recent incidents and training/desk top exercises.

	Action 11a	The Audit Committee further agreed to monitor progress against the action points identified in the desk top exercise.
12		Health and Safety Incidents Monitoring
		In monitoring the Accident and Incident Statistics and Analysis report provided, members noted the rise in minor medical conditions being reported to First Aiders, with the subsequent need to raise awareness amongst staff and learners about what constitutes the appropriate use of First Aid. Members raised an expectation of more reporting of Near Misses, suggesting that staff were not always reporting these.
	Action 12a	Members requested that future reports incorporate year to date accumulated data.
13		Monitoring of Governance Review Action Plan
		Members received the updated action plan addressing the overarching and more detailed action points arising from the governance review. With regards to areas that were deferred from the January Away Day it was noted that it was hoped to address these through both self-assessment and the meeting scheduled for May 2022. Members accepted progress to date.
14		Overview of Governor Development and Training
		Members received the summary report of development and training and discussed how the approach could be improved. Members were cognisant of the connection between self-assessment and training and that there were forthcoming governor self-assessment interviews. Focus was on the 'why' and the measurement of effectiveness of training, together with understanding what was required/mandatory training. It was felt that a working group of governors could be convened to consider what training should be focused on and on training effectiveness.
	Action 14a	It was agreed that the Clerk would convene a round table discussion of members on governor training.
15		Internal and External Audit Services
	15.1	Appointment of External Auditors
		Members received and discussed the findings from the panel's interviews with three audit firms following the tender exercise undertaken.
		The Audit Committee resolved to recommend to Corporation that Bishop Fleming be appointed as external audit providers to Halesowen College for a period of three years commencing with the audit process for 2021/2022.
	15.2	Procurement of Internal and External Audit Services

		<p>Following further consideration, the Audit Committee concluded that a further tender exercise for the provision of internal audit services should be delayed until September 2022.</p> <p>Formal continuation of the current provider's service would be addressed through the current cycle of business by the Audit Committee and Corporation, as scheduled for meetings in June and July 2022 respectively.</p>
16		Any Other Business
		There was none.
17		Date of Next Meeting
		The next meeting of the Audit Committee is scheduled for Tuesday 8 June 2021

The meeting closed at 6.50pm

Actions from Meetings		
Audit Committee Meeting 9 March 2021		
Action 4a	<p>External Auditor - Assessment of Performance Indicators for 2019/2020 and indicators for 2020/2021</p> <p>While it was noted that the performance indicators in place remained appropriate, it was necessary to defer the report until June 2021.</p> <p>Closed</p>	JCa June 2021
Action 7a	<p>Conditions of Current Funding - Self-Assessment of Compliance, Financial Memorandum Update</p> <p>Members asked questions about the rating of actions which had been closed, particularly those rated red or amber. It was agreed that future reporting would include additional rag rating of closed actions, to more clearly reflect current status.</p> <p>Closed.</p>	JCa 2022
Action 8a	<p>Risk Management Mid-Year Update 2020/21</p> <p>It was agreed that a report for the Corporation on course costing could be provided, alongside the budget setting reports for Finance and General Purposes Committee and Corporation in June 2021.</p> <p>Closed</p>	JCa June 2021
Audit Committee Meeting 30 November 2021		
Action 5.2a	<p>External Audit Appointment</p> <p>It was agreed that the approach to procurement for both Internal and External Audit services would be returned to the Committee.</p> <p>Closed.</p>	JCa March 2022
Audit Committee Meeting 8 March 2022		
Action 9a	<p>Review of Whistleblowing</p> <p>It was agreed that the College's external auditors be approached regarding adding their contact details in the policy and leaflet.</p>	JCa March 2022

Action 11a	<p>Review of Disaster Management</p> <p>The Audit Committee further agreed to monitor progress against the action points identified in the desk top exercise.</p>	JCa June 2022
Action 12a	<p>Health and Safety Incidents Monitoring</p> <p>Members requested that future reports incorporate year to date accumulated data.</p>	JCa June 2022
Action 14a	<p>Overview of Governor Development and Training</p> <p>It was agreed that the Clerk would convene a round table discussion of members on governor training.</p>	JSu June 2022