

## Minutes of the Audit Committee Meeting

**Held Tuesday 14 June 2022 at 6pm**

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

*In attendance* Jacquie Carman (*Vice Principal and Chief Operating Officer*)  
Clare Parkes (*TIAA*)  
Nathan Coughlin (*Bishop Fleming*)  
Jennifer Sunter (*Clerk to the Corporation*)

<b>1</b>		<b>Apologies</b>
		Apologies were received on behalf of Joanne Rouse
<b>2</b>		<b>Declarations of Interest</b>
		There were none.
<b>3</b>		<b>Minutes of the Audit Committee Meeting held 8 March 2022 and Matters Arising</b>
		<p>The minutes of the Audit Committee Meeting held 8 March 2022 were approved as a true and accurate record.</p> <p>Matters Arising:</p> <p>The Clerk outlined progress against actions from meeting held 8 March:</p> <p>Under item 9a, Review of Whistleblowing, it was noted that Jacquie Carman would discuss with new external auditors the provision of their contact details on the policy and associated leaflet.</p> <p>Under item 11a, Review of Disaster Management, continued review of action points was being undertaken by the committee.</p> <p>Under item 12a, Health and Safety Incidents Monitoring reports now incorporated year to date accumulated data.</p> <p>Under 14a, Overview of Governor Development and Training, a round table discussion on governor training had made progress, had awaited the revised ETF programme and would be meeting again to consolidate an approach for 2022/2023.</p>
<b>4</b>		<b>External Audit</b>
	4.1	<b>External Audit Letter of Engagement</b>
		Members received the standard letters of engagement addressing the scope of the formal contractual relationship with Bishop Fleming as external audit providers.
		The Audit Committee received and recommended to the Corporation the External Audit Letters of Engagement of Bishop Fleming, dated 16 May 2022.
	4.2	<b>External Audit Plan</b>

		<p>Nathan Coughlin outlined the audit plan to enable opinions on financial statements of the College and Halesowen College Enterprises Limited to be made.</p> <p>Members noted the initial assessment of areas of risk, including those driven by audit standards, particularly around different income streams, pensions and capital works.</p> <p>There were no significant changes to audit and accountancy practice for colleges and handover plans between external audit firms were in place.</p> <p>Good practice for audit committees was highlighted with a link to the ESFA guidance, <a href="http://www.gov.uk/guidance/the-scope-of-work-of-audit-committees-and-internal-auditors-in-college-corporations">The scope of work of audit committees and internal auditors in college corporations - GOV.UK (www.gov.uk)</a></p>
	Action 4.2a	Members discussed the mechanism for provision of governor declarations and asked that a move to the Bishop Fleming forms be undertaken.
		The Audit Committee accepted the Halesowen College, Audit Plan for the year ended 31 July 2022, as provided by external auditors Bishop Fleming.
	4.3	<b>Regularity Audit Framework - Self-Assessment</b>
		<p>Jacquie Carman noted that the self-assessment process had been undertaken in a climate where many colleges were self-referring or being approached by the FE Commissioner's office in relation to financial or quality of provision issues.</p> <p>The prescribed format for self-assessment had been completed, including both narrative and evidence reference responses, which would be provided for the external auditors.</p> <p>While there were no concerns arising, there were action points, including refining of financial regulations, declaring new subcontracting arrangements with Fircroft College and conducting due diligence, further internal audit of the new payroll system, completing actions from the disaster management desk top exercise and updating the estates strategy.</p>
		The Audit Committee, having considered the self-assessment of compliance with regularity and proprietary requirements recommended to the Corporation that this be signed by the Chair and the Accounting Officer of the College, before being submitted to the external auditor as part of the regularity audit process for 2021/2022.
	5	<b>Internal Audit</b>
	5.1	<b>Internal Audit Reports</b>
	5.1a	<p><b>Strategic Plan</b></p> <p>Clare Parkes reported that the internal audit of Strategic Arrangements had provided reasonable assurance, with two important action points on the Marketing Strategy and one operational action point on the revised management accounts.</p>
	5.1b	<p><b>Estates</b></p> <p>Clare Parkes reported that the internal audit on Estates had provided reasonable assurance with five important , two routine and one operational action points. Resulting actions included refining financial regulations, documenting exceptions to standing orders relating to contracts and implementation of a single document to map policy and procedures relating to property compliance.</p>

		Jacque Carman updated members that due to financial changes and decline, the contracted company were unable to satisfactorily address snagging work for blocks 4 and 5. Action was being taken to seek reparation.
		The Audit Committee accepted the Internal Audit Reports of Strategic Arrangements and Estates and the management responses therein.
	<b>5.2</b>	<b>Review of Internal Audit Performance Indicators</b>
		Members noted that the internal auditors had performed well against key headlines with no issues of concern.  The indicators had been adjusted for 2022/2023.
		That Audit Committee noted the evaluation of internal audit performance and approved the modified measures for 2022/23.
	<b>5.3</b>	<b>Internal Audit Appointment - Letter of Engagement</b>
		Members noted that as previously agreed a tender exercise for the provision of internal audit services would be delayed until September 2022.  In accordance with current procedure the engagement letter to appoint TIAA was provided.
		The Audit Committee recommended to the Corporation the re-appointment of TIAA as Internal Audit Service providers for 2022/2023, as provided for in the letter of engagement dated 8 June 2022.
<b>6</b>	<b>6.1</b>	<b>Progress Report on Audit Action Plans</b>
		Members considered the updated position regarding two outstanding recommendations:  With regards to the external audit of student records and evidencing student off job training, Jacque Carman reported that a formal audit of the off the job training had been conducted, with six legacy issues to address. Members recognised that there could be potential clawback of funding but that this would not be material.  With regards to the internal audit of student financial support, Jacque Carman reported that the action remained live, as transfer to the College own system did not yet wholly release the College from use of PayMyStudent. Subsequently, it was judged sensible to return to the detailed points of the original audit report, to support use of PayMyStudent at least through the autumn term of the new academic year 2022.
		The Audit Committee noted the progress and update report including the change of status of the actions from the TIAA Report on Student Services/ Student Financial Support to remain in progress.
	<b>6.2</b>	<b>Disaster Management Plan Action Points</b>
		Members noted the good progress being made on actions, in particular work regarding anti-phishing and actions to support the increase of both fire wardens and first aiders.
		The Audit Committee noted progress and challenges and approved that all closed items be removed from the list for the next review.

<b>7</b>	<b>7.1</b>	<b>Audit Plan 2021/2022 Update</b>
		<p>Jacque Carman reported that much audit work had been undertaken and all remaining work was scheduled and on course, with ensuing reports to be provided.</p> <p>The update against the Audit Plan was accepted.</p>
	<b>7.2</b>	<b>Draft Audit Plan 2022/2023</b>
		<p>Members welcomed the comprehensive report which included the result of assurance mapping of strategic objectives to the Risk Register.</p> <p>Key areas of risk were as expected and included staff recruitment and retention, accommodation strategy, retention and attendance of students, rising costs affecting pay and non-pay, cyber security and education reform impacting on the curriculum. Members also recognised that provision in the area remained highly competitive.</p> <p>The draft plan provided focused on high-risk areas in relation to achieving the strategic objectives of the new plan. Jacque Carman further explained the basis for each proposed area of audit, including those on sustainability and carbon reduction, the Marketing Strategy and payroll.</p> <p>Governors noted that the report and plan provided assurance and underpinned why some areas remained categorised as red risks.</p>
		The Audit Committee recommended that the Corporation adopt the proposed Audit Plan for 2022/23, subject to review in the autumn term once the formal review of the risk register was completed.
<b>8</b>		<b>Progress Report on Governance Review Action Plan</b>
		<p>Members received the update of progress, noting that most actions were at or near completion.</p> <p>Work to address or overtake actions regarding digital security, evidencing governor impact and use of governor mentors was reported.</p>
		Following consideration of progress, the Audit Committee approved removal of actions addressed or overtaken from the list and that any remaining items be transferred to a new action plan for 2022/2023 alongside actions identified from the current Corporation self-assessment processes.
	Action 8a	That the monitoring of remaining actions be confirmed to the Committee
<b>9</b>		<b>Health and Safety Incidents Monitoring</b>
		<p>In response to the request of members the reporting of actions now included previous year data. The challenges in data comparison impacted by the pandemic were discussed, acknowledging that this would become more meaningful moving forward.</p> <p>Members commended the actions taken to promote the reporting of near misses and that this was a good indicator of an organisation's approach to health and safety.</p> <p>The report was received.</p>

	Action 9a	Members further asked about the use of data for benchmarking from potential comparator groups and suggested this be investigated.
<b>10</b>		<b>General Data Protection Requests and Freedom of Information Requests Monitoring</b>
		<p>Jacque Carman reported on the number and range of freedom of information requests received and those discharged.</p> <p>Members noted that there had been one data breach reported to the Information Commissioner's Office, with no subsequent action or fine. However, lessons learned were documented and any remedial action identified was taken.</p> <p>The report was received.</p>
<b>11</b>		<b>Code of Good Governance – Update against Revised Code</b>
		<p>The Clerk provided the table of evidence against the revised Code of Good Governance for English Colleges.</p> <p>In the spirit of the code there were areas of continuous improvement for the Corporation.</p> <p>The report provided part of the assurance framework and would be reported on within the Annual Members Report.</p>
		The Audit Committee received the report and noted the summary of assurance provided against the revised Code of Good Governance for English Colleges, which they recommended to the Corporation.
<b>12</b>		<b>Review of Audit Committee Terms of Reference and Cycle of Business</b>
		<p>The Clerk recognised that the Committee Terms of Reference had within the current academic year been subject to considerable review. However, it was appropriate to continue to review, to ensure they remained supportive of governance as planned, prior to the Corporation moving into the new academic year.</p> <p>It was noted that some adjustment had been addressed in the associated cycle of business and that the committee terms remained in line with the updated Audit Code of Practice.</p> <p>Members discussed the potential for areas of the risk plan to be provided to other committees where pertinent.</p>
	Action 12a	As the Audit Committee did not want to fragment the wholistic reporting of risk it was proposed that a section addressing risk impact be trialled on the standard reporting cover sheets.
		The Committee recorded no changes to the Audit Committee Terms of Reference.
<b>13</b>		<b>Review of Strategy or Policy</b>
	13.1	<b>Marketing Strategy</b>
		Members recognised the importance of effective marketing and that the proposed strategy provided an approach to maximise impact through the resources available.

		<p>The College's diverse market was recognised as was the need to harness digital and social media.</p> <p>It was noted that the College was currently undertaking a rebranding exercise and seeking to appoint a new lead member of staff for marketing. A further review of this strategy would therefore be provided for the Corporation.</p> <p>Members discussed the College's unique selling points, recognising that once contextualised the inclusivity, care and support provided by the College for students and the breadth of curriculum were both key to the College's ethos and culture.</p>
		The Audit Committee recommended the Market Strategy for approval by the Corporation.
<b>14</b>		<b>Confidential</b>
	14.1	<b>Confidential Whistleblowing Report</b>
		<p>The Committee received a report on an incident raised under the Whistleblowing Policy. This had been investigated and the action taken was outlined.</p> <p>This was received.</p>
<b>14</b>		<b>Any Other Business</b>
		There was not any other business.
<b>15</b>		<b>Date of Next Meeting</b>
		The next meeting will be addressed in the new cycle of business for 2022/2023.

The meeting closed at 7.40pm

<b>Audit Committee Meeting 30 November 2021</b>		
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
<b>Audit Committee Meeting 8 March 2022</b>		
Action 9a	<p><b>Review of Whistleblowing</b></p> <p>It was agreed that the College's external auditors be approached regarding adding their contact details in the policy and leaflet.</p> <p>June 2022</p> <p>Bishop Fleming to be asked.</p>	JCa March 2022 June 2022
Action 11a	<p><b>Review of Disaster Management</b></p> <p>The Audit Committee further agreed to monitor progress against the action points identified in the desk top exercise.</p>	JCa June 2022 Achieved.
Action 12a	<b>Health and Safety Incidents Monitoring</b>	JCa June 2022

	Members requested that future reports incorporate year to date accumulated data.	Achieved.
Action 14a	<b>Overview of Governor Development and Training</b> It was agreed that the Clerk would convene a round table discussion of members on governor training.	JSu June 2022 Achieved.

<b>Audit Committee Meeting 14 June 2022</b>		
Action 4.2a	<b>External Audit Plan</b> Members discussed the mechanism for provision of governor declarations and asked that a move to the Bishop Fleming forms be undertaken.	JSu August 2022
Action 8a	<b>Progress Report on Governance Review Action Plan</b> That the monitoring of remaining actions be confirmed to the Committee	JSu Nov 22
Action 9a	<b>Health and Safety Incidents Monitoring</b> Members further asked about the use of data for benchmarking from potential comparator groups and suggested this be investigated.	JCa Nov 2022
Action 12a	<b>Review of Audit Committee Terms of Reference and Cycle of Business</b> As the Audit Committee did not want to fragment the wholistic reporting of risk it was proposed that a section addressing risk impact be trialled on the standard reporting cover sheets.	JSu Nov 22