

AUDIT COMMITTEE

Minutes of a meeting held at 15:00 on 28 November 2022 in the Conference Suite, Waterfront, Huddersfield Centre

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| Present: | Mrs J Walters Ms M Carabine Dr A Conn Mr M Pearmain Mr I Wainwright | Independent Member (Chair) Independent Member Independent Member Co-opted Member (by video link) Independent Member |
| Attendance: | 5/5 = 100% | KPI 80% Quorum: 3 |
| In attendance: | Mr M Bennington Mr P Doherty Ms J Green Mr R Harwood Mr R Lewis Mr A McCulloch Mrs R Meara Mr D Rayneau | Vice Principal Corporate Operations (by video link from 16.05) Vice Principal Finance and Resources Clerk to the Corporation Head of Health & Safety (Item 3 only) RSM (external audit) representative TIAA (internal audit) representative (by video link to 16.05) Exec Finance Director (from 16.05) Exec Director Business Systems (by video link from 16.05) |

| Item | | Action/ Report Item |
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| CLOSED SESSION | | |
| 0 | WELCOME AND INTRODUCTIONS | |
| i | The Chair welcomed everyone. No introductions were needed. | |
| 1 | NOTICE AND QUORUM | |
| i | The Clerk confirmed that due notice had been given; the requirement for all persons participating to be able to communicate was satisfied and the meeting was quorate. | |
| 2 | APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST | |
| i | Apologies were received from Vice Principal Ms J Arechiga. Mr A McCulloch would not stay for the whole meeting as there was nothing on the agenda for TIAA. | |
| ii | All confirmed that they had no direct or indirect interest in any way in the business to be transacted at the meeting which they were required by the Instrument of Government to disclose, other than those matters previously disclosed. | |
| 3.1 | WHISTLEBLOWING DISCLOSURE UPDATE | |
| | <i>The details of the whistleblowing disclosure, the investigation findings and recommended actions are considered confidential at this stage and therefore the discussion is recorded in a confidential annex at the end of this document and marked Annex 1, 28.11.22.</i> | |
| 3.2 | MATTERS RELATING TO THE COMMITTEE'S REMIT AND ANY ISSUES ARISING FROM THE AUDITS | |
| i | The Chair recalled that the purpose of the closed meeting was to provide opportunity for private discussion with the auditors. There were no items of concern to discuss. | |

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| PRELIMINARY ITEMS | |
| 16.05 Mr M Bennington, Mr P Doherty, Mrs R Meara, and Mr D Rayneau joined the meeting. Mr A McCulloch left the meeting. | |
| 4 WELCOME AND INTRODUCTIONS | |
| i The Chair welcomed the management team to the meeting, in particular new Vice Principal Finance & Resources, Mr P Doherty ("PD"). Introductions were made. The Executive Director of Finance Mrs R Meara ("RM") was attending her final Audit Committee meeting as she would soon be stepping down from her role at the College. | |
| 5.1, 5.2 APPROVAL OF MINUTES OF THE PREVIOUS MEETINGS | |
| i <u>RESOLVED:</u> (i) To approve the minutes of 10 October 2022 as an accurate record. | |
| 5.3 MATTERS ARISING NOT ON THE AGENDA | |
| i No matters were raised that were not on the agenda. | |
| 5.4 UPDATE ON AGREED ACTIONS | |
| i <u>To provide to the next meeting an update on the whistleblowing disclosure:</u> Actioned. | |
| ii <u>Prepare a report and action plan based on responses to the Committee's annual self-assessment exercise:</u> Actioned. | |
| iii <u>Report further on the completion of Declarations of Interests:</u> Complete. | |
| iv The remaining actions being not yet due for completion would roll forwards to the March 2023 meeting: | |
| v Action (rolled over): Consider whether Risk #21 may need to be articulated in a slightly different way to reflect the change of focus. | PD |
| vi Action (rolled over): Brief the Committee on the College approach to risk scoring, to give assurance in respect of the risk scores. | PD |
| vii Action (rolled over): Trial using QR code technology to encourage whistleblowing. | JS |
| viii Action (rolled over): Look into outsourcing part of the whistleblowing framework. | JG |
| HEALTH & SAFETY COMPLIANCE REPORT | |
| 16.10 Head of Health & Safety Mr R Harwood joined the meeting. | |
| 6 HEALTH & SAFETY COMPLIANCE MONITORING REPORT | |
| i The Head of Health & Safety, Mr R Harwood ("RH") presented his report, confirming that all mandatory checks, maintenance and servicing had been carried out in line with external expectations. Some actions had been one or two days late but nothing had been escalated beyond line managers. | |
| ii RH had been asked by the People, Culture & Governance ("PCG") Committee to report to the Audit Committee on the impact of trade union health and safety representatives, as well as the adequacy of supervision arrangements. He said through recent College interventions, a more impactful health & safety partnership was emerging. In terms supervision levels, it was important to establish the threshold | |

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| | for safe/unsafe. Some risk assessment work was being carried out to determine how resilient the College's supervision arrangements were, given the dynamic nature of teaching environments. Staff were being encouraged to diligently report near-misses. | |
| iii | Action: Update the Committee on the work around assessing the adequacy of supervision arrangements. | RH |
| iv | Corporation report: A report to the meeting provided assurance that target levels of Health & Safety compliance continued to be maintained across the business and management, with the support of the Health & Safety team, continued to make progress in strengthening the safety culture. The Committee discussed the role of trade union health & safety representatives, as well as the adequacy and resilience of learner supervision arrangements, a topic it will return to at its next meeting. | Report Item 1 |
| 17.20 Mr R Harwood left the meeting. | | |
| ANNUAL REPORTING 2021-22 | | |
| 7, 8 | DRAFT MEMBERS REPORT AND FINANCIAL STATEMENTS AND AUDIT UPDATE | |
| i | RM presented the draft Members' Report and Financial Statements, reminding the Committee that the Going Concern assessment and Regularity self-assessment had already been presented to Corporation and approved. She said RSM had substantially completed the audit work on the financial statements but there were still some key outstanding matters so the RSM Letter of Representation was not yet available. | Report Item 2 |
| ii | Mr R Lewis said RSM would report directly to the Corporation meeting as their audit findings report had not yet been finalised. He said, from the audit perspective, the key outstanding matters (which were all outside the College's and RSM's control) were: 1. The Department for Education's treatment of any deemed overperformance against the College's Restructuring Fund financial targets (a decision was expected within the next few weeks); 2. The outcome of the Education & Skills Funding Agency ("ESFA") funding audit; and 3. The estimate of liability to be posted in respect of a recent Supreme Court employment law decision (which impacted employers across all sectors). | |
| iii | Corporation report: The Committee discussed, with the Executive Director of Finance and the external auditor representative, the draft Members' Report and Financial Statements and the ongoing audit. It has no concerns to raise in respect of the Report and Statements, however there are some outstanding items and some element of risk, in particular: ○ The potential for clawback by the Department for Education of Restructuring Fund monies due to 'overperformance' against RF financial targets; ○ The outcome of the Education & Skills Funding Agency funding audit; and ○ An estimate of liability that needs to be posted in respect of a recent Supreme Court employment law decision (Harper v Brazel). The ESFA has agreed to extend the Financial Statements filing deadline to the end of January, as the Corporation will not be in a position to sign off the Statements in December due to the ongoing funding audit. | |
| 9 | ANNUAL REPORT OF THE AUDIT COMMITTEE | |
| i | Some sections of the 2020-21 draft report were incomplete as the necessary data was not yet available. In particular, the findings of the review of the performance of the internal audit service would need to be reflected in the report, as would certain of the RSM audit findings. The Clerk said an updated version, with this information added. would go to the December Corporation. | |

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| ii | The Clerk drew attention to para 3.2 in the report, which would detail the findings of the Committee's self-assessment review. She said since the meeting pack was circulated, she had received some more feedback on the self-assessment survey (this was the next item on the agenda) and the additional commentators had identified some more potential areas for development. This would not undermine the overall level of confidence in the Committee's performance but would prompt further analysis. |
| iii | Corporation report: The Audit Committee must produce an annual report providing insight to the Corporation on the adequacy and effectiveness of the assurance framework. Although some further information (not yet available) needs to be added to the Audit Committee's 2020-21 annual report before it is presented to Governors, this is not expected to change the Committee's overall opinion (set out at para 7.2 of the report). |
| OTHER BUSINESS | |
| 10 | COMMITTEE SELF-ASSESSMENT FINDINGS |
| i | The Committee had used a questionnaire based on the National Audit Committee Effectiveness tool for Audit and Risk Committees as the basis of self-assessment. Although the results were predominantly positive, a few areas had been scored "Room for improvement" by at least one Member and the Committee discussed in each case whether it was necessary to work towards becoming more effective in that area. Following discussion, it was agreed as follows: |
| ii | Actions: <ul style="list-style-type: none"> ➤ The Committee to review its skills mix and skills needs; ➤ The Clerk to explore training for Governors on the three lines of defence; ➤ The Committee to continue to monitor the risk that the culture of the business may to some extent inhibit reporting (however, there will be no change to the advice provided to the Corporation on the effectiveness of the whistleblowing framework on 4 November 2022); ➤ Where the possible areas of concern flagged by Members in the self-assessment survey touched on risk management, the Committee will revisit these during and after the review of the risk management framework. ➤ Any Member who considers that the Committee's terms of reference conflict with guidance in the Post 16 Audit Code of Practice shall contact the Clerk to discuss. |
| 11 | ROLLING AUDIT ACTION REVIEW |
| i | One 'Important' ¹ and three 'Routine' ² recommendations were overdue. There was agreed to be a high level of concern about the College's capacity to implement the recommendations from the review of ICT Data Protection in the agreed timeframes, particularly given the other key priorities staff were focused on. The Vice Principal Corporate Operations Mr M Bennington suggested variations to the agreed dates, which were agreed to be more realistic and which took account of the work in progress to recruit a part time administrator to support the Data Protection Officer. |
| ii | <u>RESOLVED:</u> (i) To approve revised completion dates for the Internal Audit recommended actions, as proposed. |
| iii | Corporation report: The Committee received a progress report on the implementation of previous internal audit recommendations. Although progress is generally good, management has been slow on actioning advice from the June 2022 data protection/GDPR audit and concerns were raised at the Committee meeting |

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| | about capacity to deliver. In light of competing demands on managers' time, and the need to prioritise, the Committee agreed some extensions to the agreed implementation deadlines. | |
| 12 i ii iii iv | DATA PROTECTION COMPLIANCE REPORT The Data Protection Officer Ms J Green ("JG") presented her report. <u>Accountability Tracker – progress report</u> Little time had passed since the last report in October, so there had been minimal movement on the accountability tracker. <u>Data Subject Rights Report</u> JG said, since her last report, there had been a minor data breach which was not thought to have created any significant risk to personal data. There had been a couple of data subject access requests, one of which had been refused as it was a staff member wishing to have the records of a grievance deleted. JG said the College needed to retain such records and had a legitimate basis for doing so. Corporation report: The Data Protection Officer provided assurance that no significant data breaches had occurred since the previous meeting. The Committee was pleased to hear that some progress had been made on populating the new Article 30 Register of Processing, however, due to other priorities and a lack of capacity, the work is taking much longer than anyone would like. | Report Item 5 |
| 13 i ii | FRAUD REGISTER PD said, having made diligent enquiries, he was not aware of any actual, attempted or alleged acts of fraud or other irregularities. Corporation Report: Having made enquiries in line with its terms of reference, the Committee has no concerns to report in respect of fraud or other irregularities. | Report Item 6 |
| MATTERS TO NOTE AND ADMINISTRATION | | |
| 14 i | DATE OF NEXT MEETING Monday 6 March 2023 at 3pm. | |
| 18 i | PUBLICATION OF AGENDA PAPERS It was agreed that all documents marked confidential on the meeting agenda should remain confidential. | |

| Items of Report for Corporation | | |
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| # | Details | Min |
| 1. | A report to the meeting provided assurance that target levels of Health & Safety compliance continued to be maintained across the business and the Health & Safety team continued to make progress in strengthening the safety culture. The Committee discussed the role of trade union health & safety representatives, as well as the adequacy and resilience of learner supervision arrangements, a topic it will return to at its next meeting. | 6iv |
| 2. | <p>The Committee discussed, with the Executive Director of Finance and the external auditor representative, the draft Members' Report and Financial Statements and the ongoing audit. It has no concerns to raise in respect of the Report and Statements, however there are some outstanding items and some element of risk, in particular:</p> <ul style="list-style-type: none"> ○ The potential for clawback by the Department for Education of Restructuring Fund monies due to 'overperformance' against RF financial targets; ○ The outcome of the Education & Skills Funding Agency funding audit; and ○ An estimate of liability that needs to be posted in respect of a recent Supreme Court employment law decision (Harper v Brazel). <p>The ESFA has agreed to extend the Financial Statements filing deadline to the end of January, as the Corporation will not be in a position to sign off the Statements in December due to the ongoing funding audit.</p> | 8iii |
| 3 | The Audit Committee must produce an annual report providing insight to the Corporation on the adequacy and effectiveness of the assurance framework. Although some further information (not yet available) needs to be added to the Audit Committee's 2020-21 annual report before it is presented to Governors, this is not expected to change the Committee's overall opinion (set out at para 7.2 of the report). | 9iii |
| 4. | The Committee received a progress report on the implementation of previous internal audit recommendations. Although progress is generally good, management has been slow on actioning advice from the June 2022 data protection/GDPR audit and concerns were raised at the Committee meeting about capacity to deliver. In light of competing demands on managers' time, and the need to prioritise, the Committee agreed some extensions to the agreed implementation deadlines. | 11iii |
| 5. | The Data Protection Officer provided assurance that no significant data breaches had occurred since the previous meeting. The Committee was pleased to hear that some progress had been made on populating the new Article 30 Register of Processing, however, due to other priorities and a lack of capacity, the work is taking much longer than anyone would like. | 12iv |
| 6. | Having made enquiries in line with its terms of reference, the Committee has no concerns to report in respect of fraud or other irregularities. | 13ii |