

AUDIT COMMITTEE

Minutes of a meeting held at 15:00 on Monday 2 October 2023 in B05028 (Conference Room), Waterfront, Huddersfield Centre

Present:	Mrs J Walters Dr A Conn Mr I Wainwright Mr M Pearmain Ms J Firth	Independent Member (Chair) Independent Member Independent Member (to 15:40) Co-opted Member Co-opted Member
Attendance:	5/5 = 100%	KPI 80% Quorum: 3
In attendance:	Ms J Arechiga Mr M Connolly Mr P Doherty Ms J Green Mr R Harwood Mr R Lewis Mr D Rayneau Ms S Brook	Vice Principal Curriculum & Innovation Apprenticeship and Subcontracting Manager (item 15 only) Vice Principal Finance and Resources Director of Governance (meeting clerk) Head of Health & Safety (Items 6 and 7 only) RSM (external audit) representative (by video link to 15:30) Exec Director Business Systems Wylie & Bisset (internal audit)

Item		Action/ Report Item
CLOSE SESSION		
0	WELCOME AND INTRODUCTIONS	
i	The Chair welcomed everyone, in particular new Co-opted Committee Member Ms J Firth and new Internal Audit Service representative Ms S Brook of Wylie & Bisset ("SB"). Introductions were made.	
1.1	NOTICE AND QUORUM	
i	The Director of Governance & Compliance Ms J Green ("JG") confirmed due notice had been given; the requirement for all persons participating to be able to communicate was satisfied and the meeting was quorate.	
1.2	APOLOGIES FOR ABSENCE	
i	Apologies were received from the Principal Mr P Singh (not a Committee Member), Mr A Bramley (RSM) and Mr A McCulloch (outgoing internal auditor TIAA).	
1.3	DECLARATIONS OF INTEREST	
i	All confirmed they had no direct or indirect interest 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.	
2	RE-APPOINTMENT OF CHAIR	
i	<u>RESOLVED:</u> (i) To re-appoint Committee Member Ms J Clement Walters as the Committee Chair for financial year 2023-24 with immediate effect.	

Item		Action/ Report Item
3	<p>MATTERS RELATING TO THE COMMITTEE'S REMIT AND ANY ISSUES ARISING FROM THE AUDITS</p> <p>i Mr Lewis of RSM ("RL") drew attention to the 'exceptions and errors' column in RSM's Teachers' Pension report. He described the items of report as 'trivial matters' and said there was no cause for any concern. He explained that the accounting treatment of the pension would change this year; it would be listed as an 'asset' rather than a 'liability'. The College was in the process of obtaining an actuarial assessment.</p> <p>ii SB of Wylie & Bisset said the internal audit work was proceeding to plan; she had no concerns to raise.</p>	
4	<p>SELF-ASSESSMENT FINDINGS AND ACTIONS</p> <p>i The Committee had met at Springfield Sixth Form Centre on Thursday 28 September for a tour of the Centre and a self-assessment session. The Chair summarised the findings, a precis of which had been circulated to all Members and shared with the Corporation Chair and Vice Chair. A condensed version would be shared with People, Culture & Governance Committee as part of the annual reporting.</p>	
PRELIMINARY ITEMS		
<i>Ms J Arechiga, Mr P Doherty and Mr D Rayneau joined the meeting.</i>		
0	<p>WELCOME AND INTRODUCTIONS</p> <p>i The Chair welcomed the management team to the meeting. Introductions were made.</p>	
5	<p>APPROVAL OF MINUTES OF THE PREVIOUS MEETINGS</p> <p>i <u>RESOLVED:</u></p> <p>(i) To approve the minutes of 12 June 2023 as an accurate record.</p>	
5.3	<p>MATTERS ARISING NOT ON THE AGENDA</p> <p>i There were no matters arising that were not on the agenda.</p>	
5.4	<p>UPDATE ON AGREED ACTIONS</p> <p>i All actions were either not yet due, deferred or on the agenda.</p> <p><i>15:15 Head of Health & Safety Mr R Harwood joined the meeting</i></p>	
SUBSTANTIVE ITEMS		
6.1	<p>HEALTH & SAFETY ANNUAL REPORT</p> <p>i Head of Health & Safety Mr R Harwood ("RH") presented the annual Health & Safety report, which Members agreed painted a positive picture. It was noted as follows:</p> <ul style="list-style-type: none"> ➤ There had been one RIDDOR incident and the College was not at fault. This continued a trend of improvement since 2020-21. There had been no Health & Safety Executive enforcement visits during 2022-23; ➤ Significant progress had been made in risk assessment completion, safe systems of work, and control of substances hazardous to health ("COSHH") assessments; ➤ A first responder first aid model (enhanced first aid) was now in place at all centres; ➤ A full program of health surveillance was maintained throughout 2022/23; ➤ A broad programme of staff training was provided, including role-specific training and an all-staff training day on emergency preparedness and planning; 	

Item		Action/ Report Item
iii	<p>the investigatory and evaluation work the College had done to respond to the Governor's question had produced useful learning, which had been used to further strengthen the College's position, as particularised in the report under the heading 'lessons learned'.</p> <p>Corporation report: A Governor question about the assurance the senior team had regarding supervision ratios for students in higher risk teaching environments had prompted a piece of work by Head of Health & Safety and reporting to the Committee. Having considered the assurance provided, the Committee was satisfied with the controls the College has in place to risk assess and judge whether activities require additional supervisors; in particular, we were pleased to hear that the College has no provision where maximum recommended ratios are exceeded and has a system in place to scrutinise any decisions to exceed agreed or recommended ratios.</p> <p>15:40 Mr R Harwood left the meeting; Committee Member Mr I Wainwright left the meeting.</p>	Report Item 3
8 i ii iii	<p>8 DATA PROTECTION ANNUAL REPORT</p> <p>The annual report was received and the Committee agreed as follows:</p> <p>Corporation report: Although progress has been made on the data protection journey, there are some concerning gaps in the governance framework in terms of second line checks and audits, for example, the Information Oversight Group had not met for some time due to capacity stretch. Management are engaging an external consultant to support the College in closing the gaps and the Committee will monitor carefully to ensure they are quickly closed. To emphasise the importance of the enterprise, Committee Members highlighted some recent cases of CEOs being forced to resign due to significant data breaches, despite their having no direct culpability.</p> <p>JG gave the Committee a brief demonstration of the GDPR Sentry software the College uses to track the processing of personal data and related controls. In response to a question, she said she had looked at alternative software packages but had chosen to renew with GDPR Sentry, as she had not yet recruited to the governance assistant role, she had not had capacity at the end of the contract term to transfer data to a new system.</p>	Report Item 4
9 i ii iii	<p>9 ROLLING AUDIT ACTION REVIEW</p> <p>The meeting discussed progress on actions agreed following previous internal audit reviews. Vice Principal Finance & Resources Mr P Doherty ("PD") said a larger proportion were now closed, with only one outstanding from 2021-22 (to put in place a GDPR Article 30 compliant Record of Processing Activity). From the 2022-23 audit plan, there were three overdue 'Important' actions, requiring extensions to their target dates, as explained in the report.</p> <p><u>RESOLVED:</u></p> <p>(i) To approve revised completion dates for the Internal Audit recommended actions, as proposed.</p> <p>Corporation report: A progress report was received on the implementation of previous internal audit recommendations. There is still an outstanding action from the June 2022 data protection/GDPR audit but all other actions from 2021-22 have been closed down. The Committee agreed some extensions to the implementation deadlines for four 2022-23 actions.</p>	Report Item 5
10 i	<p>10 MIS STAFF RESTRUCTURE PROJECT UPDATE</p> <p>Corporation report: Executive Director of Business Systems Mr D Rayneau ("DR") gave an update on the restructure of the MIS team. Members had some questions about the different types of report the team could produce but there are no concerns.</p>	Report Item 6

Item		Action/ Report Item
11	<p>INTERNAL AUDIT REPORTS</p> <p><u>TIAA follow-up review</u></p> <p>i The TIAA follow up review in July had established that management had addressed the majority of the control issues that gave rise to the recommendations arising from the internal audit reviews carried out in 2021-22. As reported in the Rolling Audit Action Review report, the work of putting in place an Article 30 compliant Record of Processing Activities was in progress but the Record was not yet fully populated. All other recommendations (14 out of the original 15) had been implemented.</p> <p><u>Internal Audit Annual Report</u></p> <p>ii Having completed the planned programme of activity for 2022/23, with the exception of the 'Cyber Maturity Assessment', which TIAA had been unable to complete due to capacity issues, the Head of Internal Audit opinion was that the College had "reasonable and effective risk management, control and governance processes in place". There had been one 'Substantial' assurance outcome (the highest level of assurance) and three 'Reasonable' assurance outcomes (the second highest). TIAA had made five 'Important' recommendations and four 'Routine' recommendations.</p> <p>iii Corporation report: The Head of Internal Audit Opinion, based on the reviews completed by the internal audit service provider TIAA in 2022/23, was that the College had reasonable and effective risk management, control and governance processes in place.</p> <p>iv Corporation report: The Committee is required to report to the Corporation on the internal auditor's performance against agreed service standards. In 2022/23, the internal audit service provider TIAA did not complete the full internal audit plan as there was one audit it was unable to carry out due to staff capacity issues. Apart from this, TIAA met or exceeded all performance targets set.</p> <p>v Corporation report: The Committee is required to report on the internal auditor's independence and objectivity. TIAA have confirmed that there were no limitations or restrictions placed in the internal audit service during 2022-23 which impaired either the independence or objectivity of the service provided.</p> <p>vi Corporation report: The Committee is required to report on the internal auditor's adherence to professional standards. TIAA advise that they adhere to all relevant professional standards and are externally validated against the Public Sector Internal Audit Standards. In addition, their quality systems were re-assessed and re-approved for the ISO 9001:2015 management system standard on 23 June 2022 and they have provided a copy of the certificate. There are no concerns to report in this regard.</p>	<p>Report Item 7</p> <p>Report Item 8</p> <p>Report Item 9</p> <p>Report Item 10</p>
12	<p>ANNUAL WHISTLEBLOWING REPORT AND REVIEW OF POLICY</p> <p>i The whistleblowing procedure had been used twice during 2022-23 but this had only led to one active case; the other was deemed not to have exhausted other internal channels. JG said, whenever it had been used, both she and the designated case manager had found the process of reporting, investigating and decision-making to be effective - but it was difficult to judge whether the overall level of reporting should be higher.</p> <p>ii JG's report listed some potential indicators (positive and negative) of a positive culture where staff would feel able to speak up and challenge poor practice. Recalling that the previous year's staff survey results had created some concern in this regard JG said, unfortunately the 2022-23 results were not yet available for comparison. She would report again at the next meeting. In the meantime, she was recommending some minor amendments to the Whistleblowing Policy, to reflect changes to job titles and to introduce an authority for the Director of Governance & Compliance to make minor changes.</p>	

Item		Action/ Report Item
iii	<p>Corporation report: One of the Committee's responsibilities is to advise the Corporation on the effectiveness of the College's whistleblowing framework. In this regard, the Committee advises as follows:</p> <ul style="list-style-type: none"> ➤ Two members of staff invoked the whistleblowing procedure during 2022-23. As in previous years, once activated, it appeared to be effective; ➤ The Committee sought assurance in respect of the overall effectiveness of the whistleblowing framework, in particular considering indicators that the College culture may, or may not, support the reporting of concerns. The Committee was not entirely satisfied and will revisit the issue at its next meeting; ➤ In the meantime, the Committee recommends some minor amendments to the Whistleblowing Policy, the main one being to authorise the Director of Governance & Compliance to make any necessary immaterial amendments going forwards, such as changes to job titles, website addresses and phone numbers. 	Report Item 11
13	STRATEGIC RISK MANAGEMENT	
i	<p>Corporation report: The Audit Committee is required to advise the Corporation on the adequacy and effectiveness of the Corporation's risk management framework, a key component being the strategic risk register. Management has begun to implement a new risk management software system (RSM's "4risk" system) to replace the existing Excel-based model. The work has yielded improvements, such as the linking of risks to the strategic goals, the linking of controls to identified 'causes' and 'effects', control of access to the risk register and an auditable trail of all amendments. We expect the new strategic risk register to be presented for review at the Committee's next meeting.</p>	Report Item 12
14.1	INTERNAL AUDIT PLAN	
i	<p>Mr S Pringle ("SP") drew attention to page 20 of Wylie & Bisset's report. It showed the results of an initial three-year audit needs assessment. A Member asked SP to outline the assessment methodology and SP explained that the Wylie & Bisset team had met with College management for a brainstorming session, using the strategic risk register to identify assurance gaps in higher risk areas and drawing on Wylie & Bisset's sector knowledge. She had emphasised the need to look at governance and IT and not to over-focus on financial risk. Pages 16 and 17 of the report showed the proposed internal audit plan for 2023-24. Following discussion, the Committee resolved as follows:</p>	
ii	<p>Corporation report: The Committee reviewed a document produced by the new internal audit service provider Wylie & Bisset which included an initial three-year audit needs assessment (page 20), a proposed Internal Audit Plan for 2023-24, and performance measures for Wylie & Bisset (page 23). Having discussed them with management and with the internal auditor, the Committee considers that:</p> <ul style="list-style-type: none"> ➤ the 2023/24 Internal Audit Plan will facilitate effective monitoring of the College's risk profile and provide assurance against the key strategic risks; ➤ the number of audit days proposed (31) are sufficient to meet the Corporation's requirements and the planned audit coverage for 2023-24 is appropriate; and ➤ the performance targets proposed by Wylie & Bisset for the monitoring of their performance in the provision of audit services are appropriate. <p>It recommends them all for Corporation approval.</p>	Report Item 13
iii	<p>Action: Provide to all Governors a copy of Wylie & Bisset's initial three-year audit needs assessment, proposed Internal Annual Plan and proposed performance measures.</p>	JG
iv	<p>Corporation report: The internal auditor Wylie & Bisset has advised that it is not currently providing any other services to the College.</p>	Report Item 14

Item		Action/ Report Item
14.2 i	WYLIE & BISSET ENGAGEMENT LETTER Corporation report: Wylie & Bisset's Letter of Engagement is recommended for approval.	Report Item 15
15 16:50 i ii iii iv 17:00	SUBCONTRACTORS CONTROLS REVIEW AND CERTIFICATE <i>Apprenticeship and Subcontracting Manager Mr M Connolly joined the meeting</i> The College had two WYCA funded subcontractor providers and Wylie & Bisset had reviewed both for testing purposes. Wylie & Bisset report had concluded that the College had appropriate subcontracting arrangements in place and the arrangements in place within the College to manage and control delivery subcontractors were adequate. The auditors had identified a single area where the College was not fully adhering to the WYCA rules in relation to delivery subcontracting and had raised a recommendation to address the issue. This, together with the recommendations from the previous year had been fully implemented. The requisite certificate, signed by the Auditor, was discussed. Members were satisfied that it provided an accurate account of the status of the College's compliance and agreed to report to Corporation as follows: Corporation report: The Committee received a copy of the subcontracting controls audit and discussed the findings with management. The audit revealed a positive picture, such that the Corporation may have confidence that the systems and controls the College has in place to procure, manage and monitor subcontractor provision are adequate, and the College is compliant with rules issued by the West Yorkshire Combined Authority that relate to subcontracting. A Member enquired about the College's future plans and DR confirmed that the College still planned on reducing its subcontracting. <i>Mr M Connolly left the meeting</i>	Report Item 16
16 i	REPORT ON TEACHERS' PENSIONS END OF YEAR CERTIFICATE Corporation report: The Corporation must prepare an End of Year Certificate return and ensuring that accounting records are maintained which report the financial position of the Teachers' Pension Scheme. Our External Auditor RSM, having performed an annual report of factual findings on the End of Year Certificate, advised the Committee that the review had identified only some slight errors, these being no cause for concern.	Report Item 17
17 i	REGULARITY SELF-ASSESSMENT QUESTIONNAIRE Corporation report: The Committee has reviewed the Regularity Self-Assessment questionnaire and, being satisfied that the College can evidence the statements it makes within it, recommends that Corporation authorise the Chair of the Corporation and the Accounting Officer to sign them, so that they may be provided to the external auditor as required by conditions of funding.	Report Item 18
18 i	FRAUD REGISTER 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 19
MATTERS TO NOTE AND ADMINISTRATION		
19 i	DATE OF NEXT MEETING 6 December 2023.	

Item		Action/ Report Item
20	PUBLICATION OF AGENDA PAPERS	
i	It was agreed that all documents marked confidential on the meeting agenda should remain confidential.	

Items of Report for Corporation		
#	Details	Min
1.	The Health & Safety report for 2022-23 reports an improving safety culture. This accords with the Committee's expectations, having monitored compliance throughout the year. The report provided particularly good assurance in terms of the performance and effectiveness of the Health & Safety team, with excellent feedback for the function in a whole staff survey. Also, for our preparedness for major incidents. The Health & Safety manager drew attention to some deterioration in the whole College staff survey results for the metrics 'staff feel safe at work' and 'staff see H&S as a key focus within their depts', but until further analysis is done, it is unclear whether these are concerning metrics.	6.1v
2.	The Committee received a monitoring report on Health & Safety compliance. There are no material concerns to report.	6.2iii
3	A Governor question about the assurance the senior team had regarding supervision ratios for students in higher risk teaching environments had prompted a piece of work by Head of Health & Safety and reporting to the Committee. Having considered the assurance provided, the Committee was satisfied with the controls the College has in place to risk assess and judge whether activities require additional supervisors; in particular, we were pleased to hear that the College has no provision where maximum recommended ratios are exceeded and has a system in place to scrutinise any decisions to exceed agreed or recommended ratios.	7iii
4.	Although progress has been made on the data protection journey, there are some concerning gaps in the governance framework in terms of second line checks and audits, for example, the Information Oversight Group had not met for some time due to capacity stretch. Management are engaging an external consultant to support the College in closing the gaps and the Committee will monitor carefully to ensure they are quickly closed. To emphasise the importance of the enterprise, Committee Members highlighted some recent cases of CEOs being forced to resign due to significant data breaches, despite their having no direct culpability.	8ii
5.	A progress report was received on the implementation of previous internal audit recommendations. There is still an outstanding action from the June 2022 data protection/GDPR audit but all other actions from 2021-22 have been closed down. The Committee agreed some extensions to the implementation deadlines for four actions.	9iii
6.	Executive Director of Business Systems Mr D Rayneau ("DR") gave an update on the restructure of the MIS team. Members had some questions about the different types of report the team could produce but there are no concerns.	10i
7.	The Head of Internal Audit Opinion, based on the reviews completed by the internal audit service provider TIAA in 2022/23, was that the College had reasonable and effective risk management, control and governance processes in place.	11iii
8.	The Committee is required to report to the Corporation on the internal auditor's performance against agreed service standards. In 2022/23, the internal audit service provider TIAA did not complete the full internal audit plan as there was one audit it was unable to carry out due to staff capacity issues. Apart from this, TIAA met or exceeded all performance targets set.	11iv
9.	The Committee is required to report on the internal auditor's independence and objectivity.	11v
10.	The Committee is required to report on the internal auditor's adherence to professional standards. TIAA advise that they adhere to all relevant professional standards and are externally validated against the Public Sector Internal Audit Standards. In addition, their quality systems were re-assessed and re-approved for the ISO 9001:2015 management system	11vi

	standard on 23 June 2022 and they have provided a copy of the certificate. There are no concerns to report in this regard.	
11.	<p>One of the Committee's responsibilities is to advise the Corporation on the effectiveness of the College's whistleblowing framework. In this regard, the Committee advises as follows:</p> <ul style="list-style-type: none"> ➤ Two members of staff invoked the whistleblowing procedure during 2022-23. As in previous years, once activated, it appeared to be effective; ➤ The Committee sought assurance in respect of the overall effectiveness of the whistleblowing framework, in particular considering indicators that the College culture may, or may not, support the reporting of concerns. The Committee was not entirely satisfied and will revisit the issue at its next meeting; ➤ In the meantime, the Committee recommends some minor amendments to the Whistleblowing Policy, the main one being to authorise the Director of Governance & Compliance to make any necessary immaterial amendments going forwards, such as changes to job titles, website addresses and phone numbers. 	12iii
12.	The Audit Committee is required to advise the Corporation on the adequacy and effectiveness of the Corporation's risk management framework, a key component being the strategic risk register. Management has begun to implement a new risk management software system (RSM's "4risk" system) to replace the existing Excel-based model. The work has yielded improvements, such as the linking of risks to the strategic goals, the linking of controls to identified 'causes' and 'effects', control of access to the risk register and an auditable trail of all amendments. We expect the new strategic risk register to be presented for review at the Committee's next meeting.	13i
13.	<p>The Committee reviewed a document produced by the new internal audit service provider Wylie & Bisset which included an initial three-year audit needs assessment (page 20), a proposed Internal Audit Plan for 2023-24, and performance measures for Wylie & Bisset (page 23). Having discussed them with management and with the internal auditor, the Committee considers that:</p> <ul style="list-style-type: none"> ➤ the 2023/24 Internal Audit Plan will facilitate effective monitoring of the College's risk profile and provide assurance against the key strategic risks; ➤ the number of audit days proposed (31) are sufficient to meet the Corporation's requirements and the planned audit coverage for 2023-24 is appropriate; and ➤ the performance targets proposed by Wylie & Bisset for the monitoring of their performance in the provision of audit services are appropriate. <p>It recommends them all for Corporation approval.</p>	14.1ii
14.	The internal auditor Wylie & Bisset has advised that it is not currently providing any other services to the College.	14.1iv
15.	Wylie & Bisset's Letter of Engagement is recommended for approval.	14.2i
16.	The Committee received a copy of the subcontracting controls audit and discussed the findings with management. The audit revealed a positive picture, such that the Corporation may have confidence that the systems and controls the College has in place to procure, manage and monitor subcontractor provision are adequate, and the College is compliant with rules issued by the West Yorkshire Combined Authority that relate to subcontracting.	15iv
17.	The Corporation must prepare an End of Year Certificate return and ensuring that accounting records are maintained which report the financial position of the Teachers' Pension Scheme. Our External Auditor RSM, having performed an annual report of factual findings on the End of Year Certificate, advised the Committee that the review had identified only some slight errors, these being no cause for concern.	16i
18.	The Committee has reviewed the Regularity Self-Assessment questionnaire and, being satisfied that the College can evidence the statements it makes within it, recommends that Corporation authorise the Chair of the Corporation and the Accounting Officer to sign them, so that they may be provided to the external auditor as required by conditions of funding.	17i
19.	Having made enquiries in line with its terms of reference, the Committee has no concerns to report in respect of fraud or other irregularities.	18i