

Kirklees College Corporation

AUDIT COMMITTEE

Minutes of a meeting held at 1500 on Wednesday 27 November 2024 in B05009, Waterfront, Huddersfield Centre

Present:	J Clement Walters A Conn J Firth M Smith-Connor	Independent Member (Chair) Independent Member Independent Member Co-opted Member (for this meeting)
Attendance:	4/5 = 75%	KPI 80%
In attendance:	P Doherty R Lewis P Singh A Clegg A Oldham D Lenton S Cooney	Deputy Principal, Finance & Resources (Items 01 – 13) RSM (external audit) representative (Items 1 – 13) Principal (Items 1 – 13) Head of Financial Operations (Items 3 & 4) Director of Finance (Items 3 & 4) Director of MIS & Exams (Items 03 & 11) Audit & Compliance Manager (Items 03 & 11)
In virtual attendance:	C Robinson N Clark P Sugden R Harwood	Chair, Finance & Resources Committee (Items 3 & 4) WBG (internal audit) representative (Items 1 – 11) Executive Director of Estates & Facilities (Item 12) Head of Health & Safety (Item 12)

Item No	Item	Action
01	WELCOME AND INTRODUCTIONS The Chair opened the meeting and welcomed M Smith-Connor who was attending as a co-optee. Introductions were made.	
(i)	NOTICE AND QUORUM Due notice of the meeting had been given and the meeting was quorate.	
(ii)	APOLOGIES FOR ABSENCE Apologies for absence were received from A Fell, Co-opted Member.	
(iii)	DECLARATIONS OF INTEREST No declarations of interest were received.	
02	FINANCIAL STATEMENTS/REGULARITY AUDITORS P Doherty (PD) Deputy Principal, Finance & Resources, advised members that the College's financial statement and regularity auditors were appointed in March 2022 for a three-year term, with the option to extend for an additional two	

	<p>years. The Committee agreed that they were satisfied with the service provided and recommended that contract be extended.</p> <p>RESOLVED: The Committee recommends that the Corporation extend the current contract with the Financial Statements/Regularity Auditors for a two-year period.</p>	
1510	<i>D Lenton (Director of MIS & Exams) joined the meeting.</i>	
03	STRATEGIC RISK REVIEW	
03.1	Members conducted an in-depth examination of the strategic funding risk, characterized by three key components: (i) the failure to generate accurate funding claims, (ii) non-compliance with funding rules, and (iii) the inability to maximize funding.	
03.2	At the outset of the exercise, Members appreciated the clarity of the schematic diagram, which effectively outlined the risk causes, controls, and assurances.	
03.3	Members posed questions regarding the systems, processes, procedures, reporting, and training in place, and were satisfied by the assurances provided.	
1530	<p><i>D Lenton left the meeting.</i></p> <p><i>R Lewis (RSM) and P Singh, Principal joined the meeting. C Robinson, Chair of the Finance & Resources Committee and N Clark (WBG) joined the meeting via video link.</i></p>	
1	<p>WELCOME AND INTRODUCTIONS</p> <p>The Chair welcomed the Principal, Chair of the Finance & Resources Committee and the internal and external auditors to the meeting.</p>	
2	<p>APPROVAL OF MINUTES OF THE PREVIOUS MEETING</p> <p>RESOLVED: the minutes of the meeting held on 10 October 2024 were approved as a correct record, with the exception of minor amendments to the confidential annex (Item 3 Annex 1). There were no matters arising that were not on the agenda.</p>	
2.1	<p>UPDATE ON AGREED ACTIONS</p> <ol style="list-style-type: none"> 1. An insolvency training session be arranged for governors. Actioned 2. The People & Culture risks to be reviewed to ensure that they encompass the whole college staff, not just those within the department. Actioned (agenda item 9) 3. A 30-minute deep dive into one of the Committee's allocated risks to be scheduled for the start of the next meeting. Actioned (agenda item 03) 4. The assignment of the Data Protection Officer role to be reviewed by ELT. Outstanding 5. Pending Corporation approval: the investigation process outlined in Section 2 	

	<p>of the Policy be reviewed to provide greater clarity. Outstanding</p> <p>6. A definition of incidents to be recorded on a fraud register to be brought to the next meeting of the committee. Actioned (agenda item 15)</p> <p>7. Rolling Audit Action Review: an update on progress against each of the recommendations to be presented at the next meeting, ensuring that progress is being made. Actioned (agenda item 8)</p>	
1535	<i>A Oldham, Director of Finance and A Clegg, Head of Financial Operations joined the meeting.</i>	
3	MEMBERS' REPORT AND FINANCIAL STATEMENT	
3.1	The Chair reminded members that Governors had a fiduciary duty to the College's beneficiaries and were required to exercise reasonable care, skill and diligence in the preparation of the Financial Statements and Members' report.	
3.2	A Oldham (AO) Director of Finance, presented the draft Members' Report and Financial Statements, which the Committee were required to review and, if thought appropriate, recommend to the Corporation for approval.	
3.3	Members were advised that an audit reclassification within creditors had changed the adjusted current ratio, which in turn had resulted in a change to the Financial Health Score and overall grade for 2023/24 and the Financial Statements would be amended accordingly.	
3.4	Members noted the update and it was agreed that the supporting narrative should emphasise the necessity of cash reserves for capital investment.	
4	FINANCIAL STATEMENTS AUDIT AND REGULARITY ASSURANCE 2023/24	
4.1	<p>R Lewis (RL), RSM representative, presented the RSM report on the Financial Statements and Regulatory Audit Findings and the meeting noted as follows:</p> <ul style="list-style-type: none"> • The audit had been conducted as planned and the College team had responded positively throughout the process. • The audit work was substantially complete, subject to a few outstanding matters detailed in the report. It was anticipated that RSM would issue an unmodified opinion on the financial statements. • The report on regularity was qualified in relation to a non-contractual termination payment exceeding the delegated authority threshold. The Committee was advised that, although the financial amount involved was minimal, this was irrelevant in terms of breaching the threshold guidance. It was noted that the College was not alone in its interpretation of the Department for Education's (DfE's) guidance in this respect. With the exception of this matter, the results of the audit procedures were concluded with satisfactory results. • No unadjusted misstatements above the 'clearly trivial' threshold were identified. • In terms of financial controls, the report outlined one control observation in 	

	<p>relation to income testing which was not classed as 'significant' and five data control observations related to procedures and contracts, which again were not classed as 'significant'.</p> <ul style="list-style-type: none"> The financial statements correctly presented the movement of the Local Government Pension Scheme assets in year and appropriately disclosed amounts in the Statement of Comprehensive Income, including the remeasurement of the defined benefit pension scheme. Based on the forecasts to July 2026 submitted to the Education & Skills Funding Agency (ESFA) prior to year-end, the Corporation had concluded that it was a going concern. It would need to reaffirm its conclusions in this regard prior to sign-off of the Financial Statements. RSM was able to satisfactorily conclude with no material uncertainty arising in relation to the going concern basis of preparation of the College's financial statements. 	
4.2	Members were assured that a thorough and robust audit had been undertaken and in response to RL's closing question, advised that they were not aware of and fraud or risk of fraud activities at the College.	
4.3	RESOLVED: The Members' Report and Financial Statements 2023/24 are recommended for Corporation approval at the 12 December 2024 meeting.	
1610	<i>A Oldham and A Clegg left the meeting.</i>	
5	ANNUAL REPORT OF THE AUDIT COMMITTEE	
5.1	The Chair presented the report, which summarised the Committee's activities over the course of the 2023/24 financial year, covering meeting dates, membership, attendance, the Committee's view of its own effectiveness and details of its development work.	
5.2	The internal audit coverage was listed, together with the Committee's view of the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets and the Head of Internal Audit opinion.	
5.3	RESOLVED: To approve the 2023/24 annual report of the Audit Committee.	
6	INTERNAL AUDIT PLAN UPDATE	
6.1	N Clark, WBG, gave a verbal update on the progress of the planned internal audit work, advising that two scheduled reviews had been completed as per the schedule and draft reports were now with management for consideration.	
6.2	Action: Completed internal audit reports to be scheduled for the next meeting of the Committee.	PD
7	PLANNED AUDIT ACTIONS REVIEW	
7.1	P Doherty, presented a paper which provided an update on the College's progress in implementing audit recommendations.	

7.2	Members were informed that out of the 20 recommendations resulting from internal audits, the five still in progress had been reviewed and were expected to be completed by their agreed-upon target dates.	
7.3	RESOLVED: Members noted the update on progress of the planned audit actions.	
8	STRATEGIC RISK REPORT	
8.1	P Doherty (PD) presented a paper outlining the activities related to risk management. In introducing the report, PD highlighted that two of the risk scores had changed following a review, demonstrating the dynamic nature of the risk register.	
8.2	As previously discussed during the funding strategic risk review, funding remained the highest risk. Although the introduction of the new e-sign up system would significantly improve the apprenticeship administrative process, thereby reducing the risk of funding clawback, the level of risk had not been downgraded on the register, due to the remaining level of risk associated with the transfer from the old system to the new.	
8.3	It was suggested that the proposed wording of the People and Culture strategic risk be further amended to include 'culture and' before 'regulatory compliance', to emphasise that this risk was not solely the responsibility of the HR team. Following further discussion, the Committee agreed to conduct a deep dive exercise into the risk to provide assurance that the controls in place extended beyond the HR team.	
8.4	In evaluating the effectiveness of the earlier funding risk review, the Committee agreed that this, along with their earlier deep dive into the IT and Data Protection risk, had provided significant assurance. Given this, it was agreed that the recommendation for similar strategic risk reviews to be undertaken by the relevant Committee would be reaffirmed at the next Corporation meeting.	
8.5	As previously noted, members agreed that the schematic diagram outlining risk causes, controls, and assurances was a valuable tool not only for the deep dive exercise but also for illustrating how staff contributed and the role they played in risk management.	
8.6	Action: A 'deep dive' into the People and Culture risk be scheduled for the next meeting of the Committee.	PD
8.7	RESOLVED: That:- <ol style="list-style-type: none"> 1. The College's ongoing strategic risk management be noted; and 2. That following the completion of 2 risk review activities, that it be recommended to Corporation that similar strategic risk reviews be undertaken by the relevant Committees. 	
9	DATA PROTECTION COMPLIANCE REPORT	
9.1	C Tague (CT) Director of Governance and Compliance and Data Protection Officer, presented an overview of data protection compliance since the previous report to the Committee on 10 October 2024.	

9.2	RESOLVED: The Committee noted the information presented and had no concerns of note.	
10	FRAUD REGISTER REPORT	
10.1	No items were reported.	
1645	<i>D Lenton (Director of MIS & Exams) and S Cooney (Audit & Compliance Manager) joined the meeting.</i>	
11	FUNDING ASSURANCE REPORT	
11.1	D Lenton, Director of MIS & Exams and S Cooney, Audit & Compliance Manager, presented a report which outlined the College's strategy for ensuring funding compliance through the College's Funding Assurance work and Internal Audit Strategy and an overview of the College's internal audit team's role in managing the process and ensuring the College was funding audit compliant.	
11.2	In considering the report, members noted the update on current funding assurance matters and findings from the annual income testing audit (ACOP) 2023/24 carried out by the college's auditors (RSM).	
11.3	It was noted that the Internal Audit and Compliance Team were established in September 2023, following the re-organisation of the MIS and Student Records teams in the summer 2023 and the work undertaken and planned by the team was discussed. It was agreed that this provided a significant and additional layer of assurance and would be referenced in the Committee's annual report.	
11.4	Action: the work of the Internal Audit and Compliance Team in providing an additional layer of funding assurance to be referenced in the Committee's annual report.	CT
11.5	RESOLVED: The Committee notes the information presented.	
1655	<i>N Clark left the meeting.</i>	
	<i>P Sugden, Executive Director of Estates & Facilities and R Harwood, Head of Health and Safety joined the meeting via video link</i>	
1705	<i>D Lenton and S Cooney left the meeting.</i>	
12	HEALTH & SAFETY COMPLIANCE REPORT	
12.1	R Harwood (RH) Head of Health and Safety, presented a report which set out the health and safety compliance performance during the period 1 August 2024 to 15 November 2024 with the aim to give confidence and assurance that risks and Health and Safety management systems are appropriately managed. It also provided further detail of annual trends in performance.	
12.2	Members welcomed the increase in near-miss reporting and the decline in RIDDOR reports. They also acknowledged the measures being taken to improve the timeliness of contractor certification, including the non-payment of	

	contractors until certification was provided.	
12.3	It was confirmed that near-miss reporting was analyzed by area and department, and this, in conjunction with the performance management review process, was driving cultural awareness of the importance of reporting in this regard.	
12.4	RESOLVED: The Committee noted the health and safety compliance update and had no concerns of note.	
1715	<i>P Sugden and R Harwood left the meeting</i>	
13	PUBLICATION OF AGENDA PAPERS It was agreed that all documents marked confidential on the meeting agenda should remain confidential.	
1720	<i>P Singh, P Doherty and R Lewis left the meeting.</i>	
14	WHISTLEBLOWING UPDATE The meeting moved into closed session for Committee Members to discuss a reported whistleblowing concern. <i>The details of the discussion are considered confidential and therefore the discussion is recorded in a confidential and restricted annex marked Annex 1, 27/11/2025.</i>	
	MEETING CLOSED There being no further business, the Chair thanked the Committee and declared the meeting closed at 1730.	

Agreed Actions				
	Who	Action	Min	By
1	PD	Completed internal audit reports to be scheduled for the next meeting of the Committee.	6.2	12/03/25
2	PD	A 'deep dive' into the People and Culture risk be scheduled for the next meeting of the Committee.	8.6	12/03/25
3	CT	The work of the Internal Audit and Compliance Team in providing an additional layer of funding assurance to be referenced in the Committee's annual report.	11.3	12/12/24
4	PD	CARRY FORWARD: The assignment of the Data Protection Officer role to be reviewed by ELT.	2.1.4	
5	CT	CARRY FORWARD: the investigation process outlined in Section 2 of the Policy be reviewed to provide greater clarity. Outstanding	2.1.4	

Items of report for Corporation		Min
1	The Committee recommends that the Corporation extend the contract with the Financial Statements/Regularity Auditors for a two-year period.	Item 02
2	Following a thorough examination of the strategic funding risk, Members are satisfied with the controls and assurances currently in place.	Item 03
3	<p>The Corporation may be satisfied that, in all material respects, the expenditure disbursed and income received between 1 August 2023 and 31 July 2024 were applied to purposes intended by Parliament and the financial transactions conformed to the authorities which governed them.</p> <p>The Corporation is advised as follows:</p> <ul style="list-style-type: none"> • The Audit Committee considered the external auditor's audit findings and the report was received. RSM had identified no significant control deficiencies and advised that the Financial Statements were in agreement with the accounting records and had been properly prepared. • The report on regularity was qualified in relation to a non-contractual termination payment exceeding the delegated authority threshold. With the exception of this matter, the results of the audit procedures were concluded with satisfactory results. <p>The Members' Report and Financial Statements 2022-23 are recommended for Corporation approval at the 19 December 2023 meeting.</p>	Items 3 & 4
4	The Committee presents its annual report for the Corporation.	Item 5
5	A progress report was received on the implementation of previous internal audit recommendations	Item 7
6	The Committee received assurance reports on data protection and health and safety. It has no concerns to report.	Items 9 & 12
7	Having made enquiries in line with its terms of reference, the Committee has no concerns to report in respect of fraud or other irregularities.	Items 9 & 12
8	<p>The Committee received an update on the College's strategy for ensuring funding compliance and an overview of the College's Internal Audit Team's role in managing the process.</p> <p>The Committee were assured as to the actions outlined and the work of the Internal Audit Team in providing an additional layer of assurance in managing funding risks.</p>	Item 11