

Minutes of the Audit Committee meeting
17th June 2024
Bedford Tower Boardroom/ Hybrid MS Teams online
17:00

Present: Dennis Buckley
Luke Ferebee (Chair)
Raj Randhawa
Yiannis Koursis OBE

In attendance: Shachi Blakemore (Buzzacot Auditor)
Dianne Gamble (The Director of Estates and Facilities) (Part)
Paul Goddard (Scutton Bland Auditor) (part -online)
Maddie Govier (Data Protection Officer) (Part - online)
Marc Harvey (ICCA) (Part - online)
Pat Jones (The Deputy CEO Finance)
Rachel Nicol (The Group Director of Governance)
Natasha Stringer (Senior Governance Coordinator) (Minutes)
Stephen Walker (Deputy Director Finance- Control)

A/10/24 Apologies for absence and declarations of interest

Apologies

Apologies were received from John Butcher.

The Group Director of Governance updated the Committee on the position of Matthew Glass, after attempts to make contact and taking advice from HR it was decided to remove Matthew Glass as a member of the Audit Committee.

Declarations of Interest

There were no declarations of interest relevant to matters on the agenda.

A/11/24 Matters arising not covered elsewhere on the agenda

No matters arising other than to welcome a representative from Buzzacott to her first meeting.

A/12/24 Progress on internal audit recommendations

This agenda item was taken as part of 4.2 as outstanding recommendations related to GDPR, and was covered in the report presented by the Data Protection Officer (“DPO”).



A/13/24 Internal audit reports

4.1 Key Financial Controls

Marc Harvey from ICCA presented the report, which included a medium recommendation on compliance with the purchasing cycle and a response from the college management addressing the delays in the purchase ledger due to the credit card system. A brief summary of the report included:

Assurance Overview:

- The audit concluded with a reasonable assurance that key financial controls are generally effective.
- No high-priority issues were found, one medium-priority recommendation was made.

Key Findings:

- Purchasing and Creditor Payments: Robust processes but increased use of credit cards and occasional non-compliance noted and recommended to implement a credit card workflow and enhance staff training for improved efficiency and control.

Questions and Discussions

13.1 The Committee enquired whether the mentioned vacancies were sufficient. The Deputy CEO Finance then discussed staffing levels, recruitment challenges, and provided assurances that once all vacancies were filled, the staffing levels would be adequate.

13.2 The Deputy CEO Finance provided further insight into the delay in the purchase cycle caused by credit cards and staff's lack of compliance with sending receipts. The Committee noted the workload caused by having 105 credit cards and discussed limiting purchase categories. Further discussions included the limits on credit card purchases, budget monitoring controls, debt management. More rigorous controls needed to ensure better compliance with financial regulations while balancing control and creativity. This will be addressed as part of the changes in the finance system and the development of workflows.

13.3 The Committee questioned the depth of the commentary on budget variance review controls and sought further assurance on ICCA's views on whether they felt management set appropriate thresholds, how they document variances and more detail of what was inspected to gain assurance that any variance against budget isn't part of a bigger issue. **Action: These Questions to be raised with Jonathan Creed ICCA**

13.4 The Committee sought clarification on a section of the report that mentioned aged creditors being in a debit position, and the Deputy Director Finance- Control provided clarification that this was due to a credit balance on the account.



4.2 Mock Apprenticeship Funding Audit

The audit provided reasonable assurance that controls for apprenticeship funding compliance are effective, have a good design, and have adequate application and compliance, with two medium and three low-level recommendations.

Key findings from the report included:

- Enrolment: Four instances of late-signed enrolment forms
- Data Accuracy: One discrepancy in prior attainment levels, regular audits now in place.
- Knowledge, Skills and Behaviours Assessments: Some assessments were not clearly defined and lacked signatures; new detailed processes were implemented.
- Incomplete documentation for off-the-job training hours. New requirements are now implemented.
- After the mock funding audit, improvements were identified. Recommendations were accepted to implement tighter controls, such as ensuring signatures from both apprentices and employers.

Questions and Discussions

13.5 The Committee raised the issue that no issues were highlighted in the previous audit, so it questioned whether the current position resulted from structural changes. A further internal audit is planned, and this will be addressed.

The Committee noted the report.

A/14/2024 Internal audit strategy 2024-2025

The Deputy CEO Finance introduced the internal audit strategy, which included prioritising key financial controls and assessing learner focus. The Deputy CEO Finance shared with the Committee that Paul Goddard from Scrutton Bland, the Committee Chair, Deputy CEO Finance, and Deputy Director Finance- Control had met to review risks and priorities in order to develop the draft strategy, which was later approved by the Executive team. The plan addresses a wide range of issues with a focus on learners, but it can be adjusted as needed throughout the year.

Questions and Discussions

14.1 The Committee commented that they found the summary of the risk register within the report helpful.

14.2 The Committee discussed the timings of audits, and the Deputy CEO Finance shared with the Committee that more days have been allocated to the funding



assurance internal audit for apprenticeships, conscious of involvement in the simplification pilot and the potential for processes to change. ***The Executive team will work on timings and the scope and ensure the Committee has better visibility of the scope in 2024-2025. Action.***

The Committee recommends the Internal Audit Strategy to the Corporation for approval.

A/15/24 Risk and opportunities review

The Deputy Director Finance- Control summarised the review and noted that there had been minimal movement since the last report but highlighted that one risk on collaborative relationships has increased due to the change in emphasis to higher skills and HTQ.

Questions and Discussions

15.1 The Committee discussed reviewing the risk and opportunity register and had a detailed discussion with the CEO about the level of risk the Board and Committee is willing to take and the level of risk it can tolerate. The CEO and the Deputy Director of Finance - Control will review the risk management and assurance template over the summer with the guideline document. This will then be brought to the Committee and Board for discussion in terms of risk appetite, tolerance, and potential targets.

Opportunities for risk management training will be explored with the internal auditors. Action.

The Committee noted the report.

A/16/2024 Data Protection update

The Data Protection Officer (DPO) provided a detailed update on the current position across the group in terms of data protection, activity, compliance, internal structure, records of processing and breaches and improvements in training and incident management. ***The DPO assured the Committee that a progress report based on the previously presented gap analysis would be available at the next meeting. Action, DPO.***

Questions and Discussions

16.1 The Committee noted that while overall levels of training and compliance had improved, there were concerns identified in areas such as the 6th form and Tresham. Internal reviews are currently being conducted.



16.2 The Committee sought assurance around the implementation of recommendations from the ICO, these were confirmed as additional training and review of the CCTV policy. ***Future reports to detail ICO recommendations and progress on implementation. Action DPO, due Autumn term Audit meeting 2024***

16.3 The Committee enquired as to the noticeable improvements made over the year. The DPO provided further insight that they had moved to termly reports to better show the changes, but it had been difficult to make direct comparisons. The DPO commented that some areas did not have submissions, and the need to focus on improving completeness internally so that the Committee can see more progress in the coming months. ***The CEO will raise the internal scrutiny required on data protection with the Executive team. Action***

The Committee reviewed the following policies and recommended them to the Corporation for approval:

- **Data Protection Policy**
- **Data Privacy Policy**
- **Freedom of Information Policy**

The Committee noted the report.

A/17/24 Irregularity / whistleblowing update

The Group Director of Governance summarised the update, assuring the Committee that no major issues were raised in 2024, and updated the Committee on the regulatory framework, in particular the College Financial Handbook.

Policies reviewed included:

- The Raising Concerns (whistleblowing) procedure had no significant changes, just updating the CEO contact information.
- The Anti-bribery and corruption policy has been updated to align with the College Financial Handbook. This included an update to the Committee on the development of the gifts register. The HR department will manage the gifts register, considering the sensitive staff data involved, rather than it being managed by the Group Director of Governance.

Subject to that amendment both policies were recommended to the Corporation for approval

Questions and Discussions

17.1 The Committee discussed the awareness and understanding of the Raising Concerns (whistleblowing) policy among college staff, including where to report and how visible the policy is. There was a detailed discussion about creating an open



culture in which staff feel safe and comfortable coming forward and engaging in open communication.

17.2 The Committee discussed analysing the staff survey comments to identify underlying themes relevant to whistleblowing that may not have been expressed.

The Committee noted the report and recommended the policies to the Board for approval.

A/18/24 Financial Statements Audit Strategy

The Deputy Director Finance -Control introduced the agenda item. Shachi Blakemore (Buzzacott) was welcomed to her first Committee meeting, where she presented the strategy and confirmed that professional clearance had been received from the outgoing auditors. The risk-based approach was detailed, including estate and capital stress tests, work on bank loan covenants, and the need for a reserves policy. The Group Director of Governance confirmed that the Resources Committee recommended a Reserves Policy for approval after their most recent meeting.

Questions and Discussions

18.1 The Committee discussed the impact of the pension position, external factors, and its relationship with the cash position.

The Committee noted the report.

A/19/24 Capital project review - Wellingborough

The Director of Estates and Facilities presented the review and explained how the project had achieved its intended objectives. One of the objectives not met was staying within the original budget, this was due to increases in steel prices and shortages of supplies, as well as decisions made to save money in the long term, by extending the area for the car park. Whilst planned student numbers are not yet achieved, there is not considered to be any risk of the requirement to pay back SEMLEP funding.

Questions and Discussions

19.1 The Committee discussed the College's acting as principal contractor role, which had been assumed internally for this and the ZEC project. This has not been done in more recent projects due to internal capacity.

19.2 The Director of Estates and Facilities shared with the Committee how successful it had been to connect the library to the café, creating a thriving student area.



19.3 The Committee noted this would be the Director of Estates and Facilities' last committee meeting and expressed their thanks for her contribution over the years and wished well for her retirement.

The Committee noted the report.

A/20/24 Committee terms of reference, work plan and self-assessment

The Group Director of Governance summarised the papers. One minor change to the Committee terms of reference to include a reference to the financial handbook was proposed.

The Group Director of Governance thanked the Committee for completing the self-assessment questionnaire and asked for any further comments to come to her.

The Committee confirmed they were content to approve the minor change to the terms of reference.

A/21/24 Minutes of previous meeting

The minutes of the previous meeting were approved as an accurate record of the meeting.

A/22/24 Any other business

No other business was raised.