

## **NOTES OF THE AUDIT COMMITTEE MEETING**

**Date: Wednesday 29 March 2023**

**Time: 5.00pm**

**Venue: Board Room / Video Conference**

### **Present:**

(Meeting not quorate)

Andrew Fawcett (Chair)

Sharon White

### **In Attendance:**

Bill Webster (Principal)

Garry Westwater (Executive Director of Finance)

Danny Harvey (PwC)

Callum Neary (PwC)

Deborah Bradburn (Clerk)

Jill Hebden (Minute Taker)

## **1. SECTION A - BUSINESS MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE**

### **1.1 Welcome to Members/Officers**

The Chair welcomed members to the meeting, which commenced at 5.04pm.

### **1.2 Apologies for absence**

Apologies for absence were received from Farhad Ahmad and Chris Ball.

### **1.3 Declarations of Interest**

The Chair reminded everyone present to declare any interests that they may have on matters to be discussed.

A formal declaration was made by the Principal as a Director of Alliance Learning and Alliance Learning Training Ltd.

### **1.4 Request for an item to be unstarred**

No requests were made.

### **1.5\* Minutes of the previous meeting held on 31 October 2022**

The minutes of the meeting held 31 October 2022 had been previously circulated to Committee Members for consideration.

**Agreed:** that the minutes are approved as a correct record and authorised for publication.

### **1.6 Matters arising from the previous minutes**

The Clerk presented the action progress log and noted that all actions from the previous meeting had been completed.

## **2. SECTION B - COLLEGE MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE**

### **2.1 Internal Audit Reports**

#### **(i) Human Resources**

PwC presented the report and the following points were noted:

- There were appropriate recruitment and selection processes in place.
- The two low risk findings were related to current market pressures with an advisory finding for the recruitment and selection policy to be reviewed on an annual basis and for the policy version control table to be completed.
- All review findings would ensure a consistency of policy and outcomes within the recruitment process timescales.

#### **Governor Questions:**

Are there any processes that may act as a barrier to recruitment?

The College welcomes the report from PwC which shows the College is operating appropriately. The potential to streamline activities is there however this is balanced against ensuring a safe recruitment process.

There have been suggestions from Board Members on innovative ways of recruiting, especially to those key and specialist areas, which the College is always open to hearing. Retention is also an issue whilst the demand remains high from industry for those individuals in key and specialist areas. There needs to be better sector funding in order for improvements to be made to staff pay to assist resourcing to those areas.

Is there anything the College can do?

Fundamentally it comes down to a shortage of skills.

The Committee had a discussion around flexible working practices. There were positives in that it could be attractive in terms of recruitment. However, for the majority of College staff working from home was not an option.

**RESOLVED:**

The Committee noted the internal audit report.

**2.2 Internal Audit Plan 2022/23**

PwC presented the Internal Audit Plan, highlighting the following point:

- Business continuity would be reviewed across the Group as a comparison exercise. There was the potential to look at how the Group could work together on this or alternatively it may be advised that each organisation should have its own plan.

**RESOLVED:**

The Committee noted the Internal Audit Plan 2022/23.

**2.3 Internal Audit Progress Report 2022/23**

PwC provided an update on the Internal Audit Progress Report, the following points were highlighted:

- The human resources review had been completed with the general ledger controls review to be finalised shortly.
- The stakeholder engagement review was mostly complete with business continuity and group apprenticeships to be commenced.

**RESOLVED:**

The Committee noted the 2022/23 Internal Audit Progress Report.

**2.4 Outstanding Audit Recommendations: Monitoring Schedule**

The Executive Director of Finance presented the monitoring schedule, highlighting the following points:

- Eight of the fourteen findings had been responded to with three of the procurement review findings to be reported on at the next Audit Committee meeting.
- The two human resources low risk findings had been recently received. One risk finding related to budget sensitivity analysis was partially accepted and was not an EFSA/DfE requirement. The College was compliant with the three-year forecasting model.

**RESOLVED:**

The Committee reviewed and noted the outstanding audit recommendations report.

**ACTION:**

Procurement audit review findings to be reported at the next Audit Committee meeting.

**2.5 Sub-Contracting Activity Review**

The Principal presented the sub-contracting activity report noting the following points:

- A review of the College subcontracting arrangement had been presented to the Standards and Performance Committee on 15 March 2023.
- Assurance was provided to the Audit Committee and Board that the subcontracting arrangement with Shockout Arts continued to fulfil the requirements of the Board ie. it being a strategic Group imperative, the organisation was financially robust and that the quality of provision remained excellent, as reflected at the latest self-assessment review.
- The College had undertaken an annual appraisal of Shockout Arts with all steps and measures in place at the College for its own provision, having been equally met by Shockout Arts.

**RESOLVED:**

The Committee reviewed and noted the sub-contracting activity review report.

**2.6 Risk Management / Risk Register**

The risk management annual report that summarised the College's approach to risk was presented and discussed. Three minor changes had been made since the previous report related to the ONS reclassification and financial stability.

**Governor Questions:**

Who makes the decision as to the College's risk appetite?

The appetite would be agreed at Board following a recommendation from the senior management team with the risk register as a standing agenda item at senior management team meetings. The appetite is calculated after looking at any additional actions taken.

Would the College consider a higher appetite to risk for the recruitment of staff?

This will be picked up further at the next senior management team meeting with a review of its current position.

**RESOLVED:**

The Committee noted the update to the Risk Management / Risk Register and that it was an accurate reflection of the risks and how those risks were being addressed.

**2.7 Starred Items**

**(i) \*Public Interest Disclosure Policy**

The Clerk presented the Public Interest Disclosure Policy for approval by the Committee. The following points were highlighted:

- A review had been scheduled since the last update in February 2020.
- An external legal review of the policy had been undertaken by Shoosmiths LLP.
- The policy had been updated to be more explicit as to who would be considered under the policy, the other complaints processes available within the College and reference to the independent whistleblowing charity.

**Governor Questions:**

In reference to the section around bullying and harassment, would it restrict an individual's options if they were directed to the human resource process?

This section has been unchanged from the previous policy with bullying and harassment being able to be invoked under the human resource process in addition to this policy, where it would be considered appropriate to do so.

**RESOLVED:**

The Committee noted the Public Interest Disclosure Policy and recommended it for Board approval.

**ACTION:**

Clerk / Board Agenda

**3. SECTION C - UNIVERSITY GROUP MATTERS FOR CONSIDERATION UNLESS INDICATED OTHERWISE**

None.

**4. SECTION D - ANY OTHER BUSINESS**

**4.1 ESFA Policy / Funding Rules / Conditions of Grant Changes**

This was a standing item on the agenda to discuss noteworthy matters. The following was noted:

- The College awaited the financial handbook following the ONS reclassification, the Executive Director of Finance was part of the consultation process on the document. The biggest concern around the reclassification remained to be the financial year end.

**RESOLVED:**

The Committee noted the update provided.

**5. SECTION E - FUTURE MEETINGS**

Thursday 8 June 2023 at 5.00pm

There being no further business to discuss, the meeting closed at 6.12pm

**Chair's Signature:**

**Date:** 14 June 2023