















Minutes

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Audit Committee Minutes

Meeting Time and Date	0830 on 13 June 2024
Meeting Location	Zoom Online
Members	Guy Jones-Owen (Chair)  Alex Lane (Vice Chair)  Sheila Cunningham  Darrell DeSouza OBE  Stephen Way  Antony Young (Independent) 
Auditors	Paul Goddard (Scrutton Bland)  Katharine Patel (Buzzacott) 
Participants	Peter Brammall (Principal)  James Bryan (Executive Director of HR)  Denise Lloyd (Vice Principal) Paul Smith (Deputy Principal) 
Minute Taker	Joanne Coffey (Director of Governance) 
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	Action
1. Welcome and Apologies 1.1. Apologies were received for Denise Lloyd.	
2. Declaration of Interests 2.1. None.	
3. Minutes (Decision) 3.1. The Committee were updated on the Gunnersbury Park break in that took place in February 2024 which resulted in the death of some of the animals and damage to their enclosures. 3.2. Operational delivery was now back to normal and the animals had been restocked. However, some of the staff and students had been deeply affected by the event. 3.3. A ceremony was held by the staff and students to provide group support and discussion. 3.4. The security that had been in place included CCTV that led to the perpetrators being arrested. 3.5. A full cross-campus security review that followed had led to significant improvements in CCTV monitoring, onsite security, alarm systems, lighting and signage. 3.6. Further scoping work was underway to tender to appoint an external security firm. This process had been facilitated by the Executive Director of HR. Darrell DeSouza joined the meeting.	

<p>Resolved to</p> <p>3.7. Approve the minutes of the Audit Committee meeting held on 29 February 2024 as a correct record and authorise the Chair to confirm them.</p>	
<p>4. Matters Arising</p> <p>4.1. It was agreed to retain the deadline of November 2024 for including related parties' conflicts of interest, as that was when the annual review took place and it would also be conducted by a new Governance Professional.</p>	
<p>5. Review of Outstanding Audit Recommendations (Information)</p> <p>5.1. As at 5 June 2024, there were 18 audit recommendations in total, 4 completed, 10 partially completed and 4 not yet due.</p> <p>5.2. Governors felt that the report was helpful as a working document and demonstrated triangulation of the minutes.</p> <p>5.3. Governors requested that the timing was updated to take account of any revised dates of expected completion.*</p> <p><u>Lecturer Utilisation</u></p> <p>5.4. Governors queried the high priority designation for the action to increase lecturer utilisation rates, which had been prioritised for 2 years, with a forthcoming deadline of July 2024.</p> <p>5.5. This had remained an important and complex area that relied on good baseline data within the utilisation reports and curriculum planning. As an assessment would be made against the College's budgets, in autumn 2024, it had retained high priority.</p> <p>5.6. The Committee discussed which Committees should focus on lecturer utilisation. This could include:</p> <ul style="list-style-type: none"> a) Data Dashboard (Aug 2024) b) Audit Committee: Audit plan 2024-25 (Sep 2024) c) Finance and Resources Committee: People report / Budget assumptions (Nov 2024) d) Academic Committee: Student experience (Nov 2024). <p>5.7. The Finance and Resources Committee and the Academic Committee chairs would consider where lecturer utilisation should be best placed during agenda setting in September 2024.*</p>	<p>*Deputy Principal (Completed)</p> <p>*Governance via SG&R (Sep 2024)</p>
<p>6. Annual Review of Terms of Reference</p> <p>6.1. Following consultation at the Search, Governance and Remuneration Committee meeting in May 2024, it was agreed to stipulate that the Chairs were committed to a strong line of communication with their SLT leads.</p> <p>6.2. The Chair of Audit requested more clarity on the expectations. The Search, Governance and Remuneration (SG&R) Committee had debated and agreed that ensuring direct lines of communication between Governors and SLT negated the need to currently recommend that any SLT roles were designated Senior</p>	

<p>Post Holder status. It was then agreed to recommend a formal record of this in the Terms of Reference for all Committees.</p> <p>6.3. Although the wording was agreed at the SG&R Committee, it was now clear that it needed contextualising to demonstrate that it referred to the Chair having frequent (at least one pre-meeting per term) with the SLT lead.*</p> <p>6.4. Governors also noted that oversight for GDPR should be added to the Audit Committee's Terms of Reference.*</p> <p>6.5. The Internal Auditors queried where the College shared its cycle of Governance business. This was currently shared with the Board via the SG&R Committee. However, as external members and auditors would also find this useful, it was agreed to append the Governance Cycle to the autumn Audit Committee's Annual Report.*</p> <p>Resolved to</p> <p>6.6. Audit Committee to accept their revised Terms of Reference and recommend them to the Governing Body for adoption.</p>	<p>*Governance (Completed)</p> <p>*Governance (Completed)</p> <p>*Governance (Oct 2024)</p> <p>A: Governing Body (Appendix I)</p>
<p>7. Review of Overall Risk (Decision)</p> <p>7.1. It was confirmed that, as raised risks were now fully debated at Committee level, that any significant changes filtered through the minutes into the Governing Body meetings.</p> <p>7.2. Governors found the latest Principal Risk Register to be user friendly with continued improvements over the last 5 years ago when too much information had been supplied.</p> <p>7.3. It was agreed to update the residual inherent risk (middle column) more frequently rather than locking it in at the beginning of the year.*</p> <p>Resolved to</p> <p>7.4. Note and agree to the overall assessment of risk and the updates provided.</p> <p>7.5. Share the Risk Register with the Chairs of other Board Committees for consideration at their next meeting.</p>	<p>*Principal</p>
<p>8. Report of the Deputy Principal, Finance and Resources (Decision)</p> <p>8.1. The Internal Audits were on track.</p> <p><u>Cyber Essentials Plus</u></p> <p>8.2. A roadmap to move the College from Cyber Essentials to Cyber Essentials Plus (CE+) certification was presented at the February 2024 meeting and work was in progress.</p> <p>8.3. More time was needed to complete the necessary work before the independent (JISC) review and certification had been extended. The JISC review was now expected to take place in the December 2024.</p> <p><u>Internal Audit Tender</u></p> <p>8.4. The Internal Audit tender process was on track and expected to completed by the Full Governing Body meeting on 10 July 2024.</p>	

<p>8.5. 7 invitations had been made, 5 had been received and the shortlisted firms would be invited to present to a Governors' panel on 26 June 2024.</p> <p>8.6. It was confirmed that the Independent Member of Audit could be a member of this panel.</p> <p>8.7. Members of the Committee were asked to advise the Chair of Audit if they would like to take part in the tender interviews.</p> <p><u>ESFA Finance Handbook</u></p> <p>8.8. The Education and Skills Funding Agency (ESFA) was due to publish a new Finance Handbook on 1 August 2024 which would merge guidance on both Finance and Governance, reflecting the changes to colleges being moved to the Public Sector in 2022.</p> <p>8.9. The College would be updating its Financial Regulations to include any necessary changes.</p> <p><u>Optional September Audit Committee meeting</u></p> <p>8.10. It was confirmed to go ahead with the optional early September 2024 Committee meeting, to receive the completed Internal Audit reports and reduce the agenda items for the November meeting.</p> <p><u>Apprenticeships Internal Audit</u></p> <p>8.11. An external consultant had been appointed to review the College's Apprenticeship framework.</p> <p>8.12. The Internal Audit on Apprenticeships was nearing completion and would be presented at the July 2024 Full Governing Body meeting.</p> <p><u>External Audit Strategy</u></p> <p>8.13. The College's External Auditors, Buzzacott, presented their Audit Strategy.</p> <p>8.14. There had been little change from the latest College Accounts Direction and no new auditing standards for 2023-24.</p> <p>8.15. The scope of work being carried out remained the same as in previous years.</p> <p>8.16. The new ESFA Finance Handbook will consolidate current sector guidance, from a regularity perspective, around managing public money, funding returns and approval requests.</p> <p>8.17. The external audit would provide assurance that the College remained a going concern, with future financial viability and good financial health, in terms of in year performance and capital projects.</p> <p>8.18. The College had suffered multiple thefts and break-ins at its campuses during 2023-24. Buzzacott acknowledged that the College had taken these events extremely seriously and were in the process of upgrading its security at all campuses to mitigate against further occurrences.</p> <p>8.19. Enfield, where the majority of thefts had taken place, now had a security guard in place, monitored CCTV and strong signage to act as a deterrent.</p>	
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<p>8.20. Secure containers were in the process of being checked and installed and included alarm monitoring and DNA spray paint.</p> <p>Katharine Patel left the meeting.</p> <p><u>Business Continuity Plan (BCP)</u></p> <p>8.21. The Plan had been updated to reflect the BCP audit recommendations from the 2023 audit.</p> <p>8.22. It was also informed by learnings from the recent security incidents at the College.</p> <p>8.23. Governors were impressed with the document which the Deputy Principal had created using a unique layout.</p> <p>8.24. Governors requested that a notification be added to inform the Chair of Governors of any instances when the BCP was triggered.*</p> <p>Resolved to</p> <p>8.25. Review/agree a new Internal Audit Assurance Strategy and Annual Plan for the 2023-24 year once a new Internal Audit contract is in place.</p> <p>8.26. Agree the External Audit Strategy with the proposed fees therein.</p>	<p>*Deputy Principal</p>
<p>9. Internal Audit Reports (Decision)</p> <p><u>Procurement, Cash and Electronic Receipts</u></p> <p>9.1. Scrutton Bland issued a Reasonable assurance opinion (their third highest) on Procurement, and a Significant assurance opinion on Cash and Electronic Payments.</p> <p>9.2. Recommendations were as follows:</p> <p><u>Medium Risk</u></p> <p>a) Contract Register: As already in place for Estates contracts, the existing prepayment list to be expanded to form a contract register to include contract spend, responsible managers, key supplier contacts, and renewal dates.</p> <p>Further ideas shared included:*</p> <p>i. Governors felt that the contract list should be tested on a regular basis to ensure that any new cost effective companies were considered, particularly as reinstated contracts were usually subject to a price increase.</p> <p>ii. The Deputy Principal would also consider the use of a Procurement Officer to negotiate value for money contracts.</p> <p>iii. Governors also suggested contracting on a group basis with other colleges to benefit from economies of scale.</p> <p>b) Quotations: Quotations (or a quotation exemption form) to accompany the purchase order and be electronically</p>	<p>*Deputy Principal</p>

<p>accessible to the Finance Department. To be considered as part of a new finance system.</p> <p>It was confirmed that the Deputy Principal also reviewed larger purchase orders as an additional check.</p> <p>c) Purchase Order delays: To establish the root causes for the delays in raising purchase orders to avoid retrospective chasing. To consider the use of procurement cards for urgent, low value items.</p> <p>This had been raised previously by the Auditors who recognised the challenge. The Financial Regulations to be updated and improved communications were planned to reinforce the reasoning behind this requirement.</p> <p>As suggested by Governors, it was agreed to include a copy of this audit report with the updated Financial Regulations when they are communicated to budget holders, for context and to amplify expectations.*</p> <p><u>Low Risk</u></p> <p>d) Thresholds: To review the quotation thresholds within the Financial Regulations with clarification provided over a minimum threshold.</p> <p>Multiple year contracts to be measured as a total value to identify whether a tender exercise was required.</p> <p>e) Re-counting of cash: Management were asked to risk assess the ongoing need for members of the Finance Department to recount cash where it had already been counted by the receiving departments. It was agreed to retain this second check, given that cash payments were falling and that it did not add significant time to perform this additional level of assurance.</p> <p>9.3. The Internal Auditors to correct some typos.*</p> <p>Resolved to</p> <p>9.4. Receive, note and agree the above Internal Audit reports.</p>	<p>*Deputy Principal</p> <p>*Scrutton Bland (Completed)</p>
<p>10. 8 Month Report on Compliance and Regulation 2023-24 (Information)</p> <p>10.1. Compliance and regulation was reported on for the second period of 1 December 2023 to 31 March 2024.</p> <p><u>Personal Data Breach</u></p> <p>10.2. For this period there had not been any Personal Data Breaches.</p> <p>10.3. As there had been no breaches recorded for 2 years, which was unusual for the sector, the Committee were concerned that this was due to a lack of declarations.</p> <p>10.4. Staff were trained to declare any data breaches as part of their GDPR training, however, as there had been no declarations since 2022, it was agreed to:*</p>	<p>*Deputy Principal / DPO</p>

<p>a) Request that the Data Protection Officer emailed staff to remind them of the importance of declaring any data breaches.</p> <p>b) The Committee could then assess whether this was a declaration issue.</p> <p>c) The Deputy Principal would also consider this against the roadmap to Cyber Essentials Plus.</p> <p>10.5. Governors requested that a GDPR audit be considered for the Internal Audit Plan for 2024-25.*</p> <p><u>Freedom of Information (FOI) and Data Subject Access Requests (DSAR)</u></p> <p>10.6. There had been 4 Freedom of Information Requests. These requests were from service companies researching using the College's data for market research purposes.</p> <p>10.7. The College had not received any complied with 1 Data Subject Access Request.</p> <p>10.8. As at 31 March 2024, the Director of Governance confirmed that the College was 100% compliant in all areas of Data Protection.</p>	<p>*Deputy Principal</p>
<p>11. AOB – Departure of the Director of Governance</p> <p>11.1. The Director of Governance was thanked by the Chair for her work facilitating the Committee meetings over the past 8 years.</p>	
<p>12. Scrutton Bland Sector Update</p> <p>12.1. Scrutton Bland provided a sector update to the Committee.</p> <p>12.2. DfE approvals needed more consideration from colleges to avoid retrospective approval being sought.</p> <p>12.3. ESFA had relaxed their rules around requiring approval for external audits for nominal amounts.</p> <p>12.4. Staffing levels in senior management were stretched in the sector, amplified by early retirements.</p> <p>12.5. External Reviews had received mixed feedback in how helpful they had been, with colleges also using them in many different ways.</p> <p>12.6. Colleges were requesting benchmarking around examination costs, as they could be challenging for students with additional needs.</p> <p>12.7. Bursary payment suitability for parents/students on low wages were not being recognised and offered.</p> <p>12.8. The sector had been struggling with budget setting over the past 2 years, with many requiring deficit budgets.</p>	
<p>13. Date of next meeting</p> <p>13.1. The next Audit Committee meeting will take place on 17 September, 2024 at 0830.</p>	

CHAIR:	Guy Jones-Owen	DATE:	17 September 2024
APPROVAL:	Remote confirmation: Or signed:		