

Minutes of the meeting of the Audit Committee held via MS Teams on Tuesday 26th November 2024 at 16:00

MEMBERS Neil McDonald, Chair
PRESENT: Alison Griffiths
Theresa Hodgkinson
Nick Butler

ALSO IN ATTENDANCE: Andrew Cropley, Principal & Chief Executive Officer
Jon Fearon, Finance Director
Roopa Patel-Harji, Validera – internal auditor
Gavin Peake, Director: IT, Estates and Learning Resources (until 16:15)
Louise Knott, Vice Principal: Communications, Engagement and Student Experience (until 16:15)
Eloise Hopkinson, Clerk to the Corporation

		ACTION by whom	DATE by when
1	<u>WELCOME, INTRODUCTIONS AND APOLOGIES FOR ABSENCE</u> Apologies were received from David Hoose (Mazars – external auditor), Lee Glover (Validera – internal auditor) and Catherine Walker.		
2	<u>DECLARATIONS OF INTEREST</u> The chair reminded everyone present to declare any interests that they may have on agenda items to be discussed. Standing declarations were noted.		
3	<u>MINUTES OF THE MEETING HELD ON 2ND OCTOBER 2024</u> The minutes were reviewed. An error was noted on page 8 where the wrong document was referenced in the 'agreed' line. This was amended. It was agreed that the minutes were otherwise an accurate record of discussions. AGREED: to approve the minutes of the meeting held on 2 nd October 2024. There were no matters arising.		
4	<u>ACTION PROGRESS REPORT</u>		

Signed: _____ Chair

Date: 04/02/2025

The committee members were happy to note the content of the update provided.

5 COMPOSITE COLLEGE RECOMMENDATIONS REPORT

The finance director presented an update against the recommendations. It was noted that both actions have been addressed and there was nothing additional to discuss.

AGREED: to note the content of the update provided.

6 COLLEGE WEBSITE UPDATE

The vice principal: communications, engagement and student experience and the director: IT, estates and learning resources attended to provide a verbal update.

The committee was informed that the college has recently placed this on the risk register, and there are two separate but related risks to which colleagues have been giving consideration:

- Firstly, the entirety of the college's website does not meet accessibility guidelines; however, most of it does, and those elements which do not can be mitigated.
- Secondly, the technology behind the website is over 14 years old, which does pose a risk in terms of sustainability.

The risk in relation to accessibility is fairly minimal – the majority of the website is accessible. The worst that could happen in respect of this is that the college might receive a complaint around accessibility and would have to address this through the inclusion team. The vice principal assured governors that the college does go above and beyond in relation to accessibility and so this is a very low risk. The finance director informed governors that 98% of learners with accessibility issues would not be expected to enrol through the website but, instead, would have a managed transfer with an individualised experience and 1:1 support from the appropriate college teams.

The second risk, however, is high. Over the years, the college has had its own internal systems in place to manage the customer journey, and the applicant elements of the website are linked to these internal systems. Leaders have been speaking to an external about redeveloping the website in its entirety at a low cost (around £45k, which is much lower than previously estimated); however, this will involve closing off the internal systems and having only an unlinked external-facing website.

The majority of the risk lies within the internal systems as there is a single point of failure, in that there is currently only one staff member who can work on these systems. If any of the systems go down and this staff member is unavailable, people cannot apply to study at the college. Therefore, it has been agreed that it is necessary to divorce the systems

Signed: _____ 

_____Chair

Date: 04/02/2025

from the website. Leaders had hoped to be able to provide an update by now, but there is not a simple solution. As the college will need to redevelop its internal systems to avoid losing functionality, the first piece of work needed is a code review. This will need to be conducted by an external party, and the vice principal was able to confirm that Linney may be able to do this.

In relation to the creation of a replacement website, the view is that it will be very difficult to get this done for September 2025 unless the college is able to tender for this work in January. Given where the college is in terms of this process, the senior team do not feel that a January tender would be doable. Therefore, this is more likely to mean a September 2026 launch of the new website.

The director: IT, estates and learning resources advised that the alternative is finding a provider who can replicate the current set-up in a third-party solution. He has booked some demonstrations to look at student records software which can then be tacked on to a marketing website. This gets rid of much of the bespoke code and would enable the college to no longer be reliant on a single staff member.

Clarification was given that the current internal systems are all very good and are well used by staff, and the proposal is not to stop using them. Rather, the plan is to stop linking them to the external systems, instead having a separate front-end customer journey system.

In response to a question from one governor, it was confirmed that the risk and mitigating actions have been added to the risk register and have been discussed in depth by the Executive team. Since the version of the risk register presented was uploaded, the risk has been elevated slightly, and the vice principal and director are both now owners of this risk.

There was also a discussion in relation to which committee should have oversight of this risk. The chair requested that updates should be brought to the Audit Committee to monitor progress. Once a plan has been identified to take the new website forward, authorisation and discussion will be sought via the Standards Committee (to confirm the site meets the college's needs) and the Finance and Estates Committee (to look at the costings). Furthermore, due to the scale of the cost and the work itself, it will also need to go to the Corporation Board for discussion and approval.

One governor questioned where the identified budget of £45k is being allocated from. The finance director advised that he had already put this aside in the original budget as it was expected. He also explained that this cost is still much lower than the original estimate of around £500k, which would have been unaffordable. Realistically, given that the business process needs to be right, the college is going to defer a lot of

Signed: _____


Chair

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this into another year. The issue will be finding a partner to work with, and the critical action is to find a solution that works well and provides a good applicant/learner experience. The finance director indicated that the college must also avoid using providers whose products are not much newer than what the college already has in place, which reduces the number of suitable providers.

AGREED: to note the update provided.

7 FRAUD, IRREGULARITY AND WHISTLEBLOWING

The finance director informed the committee that there were no disclosures or issues to report.

AGREED: to note the content of the update provided.

8 RISK REPORT

The clerk to the Corporation presented the risk report, and key matters highlighted were:

- Risks continue to undergo frequent review by the Executive team.
- A new, red RAG-rated risk has been added in respect of the land contamination following the 2016 diesel spill at Chesterfield Road. The director: IT, estates and learning resources is working with solicitors and insurers to resolve this issue and, as much as possible, mitigate the cost to the college. However, possible risks resulting from this matter include a fine and delays to the building project underway on the site.

The director was able to confirm within the meeting that the Environment Agency has confirmed that it does not have the capacity to comment on this issue as it is below the level of risk which the agency is currently engaging with, so it will be handled by environmental health officers from the local council. He has eliminated most of the risk against the main building work continuing, and the risk remaining relates to the sign-off from planners for occupation. The director explained that he will need to convince the planners that the college can occupy the site without this being a risk to users, and he is confident that can evidence this. Not all the planned car parking will be available for the opening of the site, but this can be mitigated. The chair indicated that the chance of regulatory action being taken is limited, considering that this spill occurred so long ago.

- There are currently eight red risks, including the one detailed previously. These continue to be cybersecurity; the new adult skills fund; the demand for bus passes potentially incurring higher than budgeted costs; target grades and outcomes; and staff recruitment and the subsequent impact on the student experience.

Signed: _____  _____ Chair

Date: 04/02/2025

AGREED: to note the content of the update provided.

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INTERNAL AUDIT

The internal auditor presented the progress report, highlighting the following key matters from each of the attachments and additional audit briefs presented:

- No amendments have been made to the plan so far.
- Attention was drawn to two sector updates – the Audit Reform Bill and the move of ESFA functions to the Department for Education.
- Briefs have been issued for all audits except for student records and core financial controls, which are still subject to further scoping.
- The Internal Audit Strategy was presented with a slight update. As agreed at the committee meeting in October, employer engagement and environmental reporting have been swapped. This slightly amended version was approved.
- The audit briefs presented in respect of the counter-fraud health check and corporate governance were both approved, as was the follow-up audit brief.
- The internal auditor explained that the HR health check audit brief was still subject to further review in respect of how to look at the Protocol service. This discussion will take place before Christmas. However, the finance director explained that this is more about the detail of the process and what to look at, so he felt that the brief could be deemed accurate as presented, without needing further amendment. The internal auditor indicated that, if so, this would allow this audit to start in January 2025. Governors were in agreement that, if only very slight changes or fine-tuning might be needed, they would rather approve this brief now and enable a timely start to the audit.
- In respect of the last two remaining audit briefs due – student records and core financial controls – the internal auditor and finance director need to meet as soon as possible to draw up the scopes. These can then be presented to the next committee meeting or shared and approved via email. The chair indicated that he would be happy to approve these by circulation so that the audit programme can be planned and completed before the end of the academic year. The clerk was asked to arrange this process and the circulation of the documents so that the committee can agree them.

Clerk

Dec
2024

AGREED:

- to note the content of the updates provided
- to approve the slightly amended Internal Audit Strategy

Signed: _____  _____ Chair

Date: 04/02/2025

- to approve the scopes for planned audit work as presented for the counter-fraud health check, corporate governance, and the HR health check
- to approve the follow-up audit brief
- that the audit briefs for student records and core financial controls will be shared with the committee to be agreed via email.

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AUDIT COMMITTEE ANNUAL REPORT 2023/24 – FINAL

The clerk to the Corporation presented the final draft of the annual report for governors' comments and feedback. The following updates had been made since the report was last presented:

- Internal audit fees had been added for 2023/24, along with the internal audit opinion.
- The 'Financial Statements' section has been populated.
- The ESOL outcome has been included.
- The 'non-members' list has been updated to include the correct auditors' names.

One governor asked that paragraph 6.5 be amended to include that the board was quite successful in achieving diversity within its most recent recruitment exercise, which was one of its aims. The committee members confirmed that they would be happy for this added/amended wording to be approved for sign-off directly by the committee chair.

AGREED: to approve the Audit Committee Annual Report 2023/24 for presentation to the Corporation Board in December 2024, subject to the addition agreed above (which will be signed off by the committee chair once added).

Clerk

Dec
2024

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ANY OTHER BUSINESS

There were no items of additional business.

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DATE AND TIME OF THE NEXT MEETING

This is proposed to take place at 17:00 on Tuesday 4th February 2025 via Microsoft Teams.

It was agreed that confidential items would be noted separately. The internal auditors left the meeting at 16:30.

Meeting closed at 16:40.

Signed: _____



Chair

Date: 04/02/2025