

**Minutes of the  
Audit Committee  
Wednesday 22 June 2022  
Video Conference- Zoom  
4pm**

**Present:** Mark Lawson (Chair)  
Dennis Buckley  
Luke Ferebee

**In attendance:** Saeed Keynejad (SK) Director of College Information Services  
Stephen Walker (SW) Technical Accountant  
Rachel Nicol (RN), Director of Governance & Clerk to the Corporation  
(Minutes)

**AC/11/22 Apologies for absence**

Apologies for absence were received from Andy Ellis.

**AC/12/22 Declarations of Interest**

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

**AC/13/22 Matters arising not covered elsewhere on the agenda**

The Committee acknowledged the fact that the meeting is the last committee meeting for the Audit Chair. Mark Lawson will however remain on the board until the December 2022 meeting.

The Committee and members of the Executive thanked the Chair for the work in developing the approach to risk and opportunity management and focusing the Committee on adding value to college operations and processes.

**AC/14/22 Progress of plan and recommendations**

Positive progress was highlighted by the Executive Director of Finance.

One recommendation remains outstanding relating to the data protection audit. The Director of College Information Services confirmed a process has been put in place for quarterly reporting across departments, the DPO has identified actions through a gap

analysis and has made positive progress. Departmental compliance continues to be a focus.

A GDPR report has been provided in the pack. It was agreed that the recommendation will be closed down as it has been overtaken by the Data Protection action plan and ongoing reporting.

### **The Committee noted the report**

#### **AC/15/22 Internal audit reports**

The internal audit reports were presented and discussed as follows:

#### **5a. Risk management**

The Internal Auditor highlighted the report. It was confirmed that the design and application were good and the conclusion was substantial assurance. The College was noted to be process light but culturally strong. The opportunities register was noted to be a positive development and rare in the sector. The Committee considered it useful to receive a report providing intelligence on the wider sector and thanked the Internal Auditor. They also recognised that the opportunity review enables the College to be “fleet of foot” in exploring strategic options.

The Committee thanked the management team for adopting risk management recommendations of the Committee. The audit hadn’t looked at departmental risk registers but confirmed that the focus should be on ensuring risks are managed through the business and curriculum planning processes.

The Executive Director of Finance set out the scrutiny across the organisation in terms of bespoke areas such as health and safety. It was confirmed as the responsibility of Executive leads to highlight risks and opportunities coming through their areas.

#### **5b. Capital strategy and achieving value for money**

The Internal Auditor presented the report and provided comparative information from the sector. The report provided substantial assurance with good design and application.

The capital plan stretches 5 years, with detailed planning on capital grants enabling the College to exploit opportunities and maximise grant funding. The majority of the sector were noted to review on a more limited period of 12 to 18 months.

There was one advisory recommendation around the size of the estate and ensuring the due diligence on the merger looks at the inherent liabilities on buildings and IT infrastructure in particular. The Committee was reminded that a decision had been taken to lease the building in Kempston. A project has been commenced to review the accommodation needs in Corby and a report will be brought back to the Board when a proposal has been formulated.

The Committee raised questions on the implementation of a merger on capital planning. It was confirmed that the College has provided for some investment in the Central

Bedfordshire College (“CBC”) estate but the condition of the estate is currently unknown and the nature of leases needs to be identified. The colleges are working together to look at potential for T level funding as well as condition grants. The College is in dialogue with the Education and Skills Funding Agency (“ESFA”) over the criteria to ensure relative measures are fair on larger groups. CBC is understood to have already received an allocation around condition funding. The Committee sought assurance on the adequacy of the provision made and the College will work to address the priorities when these are identified. On the current information however there are no projects at CBC requiring immediate attention.

The Committee questioned whether the audit had considered previous projects and whether these had delivered value for money. The Internal auditor confirmed the audit was wide and focused on delivery of an agreed strategy, on the assumption that the strategy is appropriate. The post project reviews written by the Director of Estates and Facilities for the Audit committee reflect on projects a year after completion. Consideration will be given to whether these reports can include additional narrative on value delivered, for example whether projects deliver what they were intended to.

***It was agreed there is potential to look at the reviews at the 12 month point and the 3 to 4 year point, with potential to consider the Buchanan centre.***

#### **The report was noted**

##### **AC/16/22          ESFA Funding assurance review**

The Director of College Information Services presented the report and highlighted the positive findings as well as the recommendations.

The audit had been extremely thorough with the maximum sample taken and was considered to be fair. The recommendations were relatively minor.

The rules around apprenticeships and subcontractor delivery were noted to be complicated. The Executive Director of Finance confirmed there is now positive dialogue with the ESFA to understand the issues but with any changes anticipated to be more than a year away.

The Committee questioned how claw backs are activated. It was confirmed that the ESFA does not generally extrapolate on errors but identification of an error can lead to greater investigation.

The Internal Auditor confirmed the approach of the ESFA has changed over recent years. Sample sizes are currently smaller and the review looks at different aspects of the funding methodology.

The Committee questioned the provision for claw back. It was confirmed that there is no claw back for 16-18 as the base line is adjusted if appropriate. The position on claw back was noted to be agreed

The Committee raised the issue of the cost of review both from the ESFA staff and for College staff and how this is in proportion to the funds recovered.

The Committee noted the report was positive and an action plan is in place to address matters.

**Thanks were provided to the Director of College Information Services and the team.**

#### **AC/17/22 Internal audit plan 2022-2023 and updated strategy**

The Internal Auditor had presented the report at a previous meeting and the Committee had ranked the proposed internal audits and priorities.

It was questioned whether some of the key themes and risks discussed in other committees would benefit from being on the agenda. Potential educational issues such as management of the Adult Education Budget were raised. Assurance was given that a piece of work is already being carried out by the marketing team to look at the market for adult education and the College position.

The Executive Director of Finance was content with the priorities identified by the Committee and will look at individual audits if the need arises following internal reviews.

The Committee considered the audits planned cover a broad spectrum. It was confirmed the KPI report will focus on non-financial measures.

The scoring on extremism and prevent was raised and explained in terms of likelihood as well as impact. Assurance was given that scoring is informed by good partnership working and takes account of a wider group of opinion and knowledge. It was also noted that reviews look at the success or otherwise of mitigations in place and not just at the risks themselves.

**The Committee was content to recommend the Internal Audit Strategy to the Board for approval.**

#### **AC/18/22 Risk and opportunities review**

The Technical Accountant attended to present the report. The Risk register has been reviewed by Executive and new risks added, including market share of the adult market, the vacancy for a Principal in Northamptonshire and embedding of a new campus based management structure. The recently appointed Executive Director of Digital Transformation has also assessed the current position in respect of IT. Risks on engineering provision, partnership relationships and inflationary pressures have also been documented.

***The Committee asked if the degree of movement could be marked on the register in future reports.***

The Committee questioned how inflationary pressures would impact on employers and the delivery of apprenticeships. The Principal & CEO outlined the key challenges in terms of the College's ability to recruit staff, rising costs and the viability of courses in relation to funding and changes in behaviours post Covid.

Sickness levels are as high currently in relation to Covid as they were pre vaccination which impacts on the operations of the College.

The Committee had previously discussed inclusion of the merger on the risk register. It was noted that individual risks and opportunities will be picked up and integrated at an appropriate point in the merger process.

### **The report was noted**

#### **AC/19/22          Data Protection update**

The report had been provided by the Data Protection Officer and the Director of College Information Services attended on her behalf.

The Committee noted the increase in the training figures and saw this as extremely positive. It was explained that training will continue to be developed to ensure best practice becomes more embedded.

The Committee questioned how achievable the planned actions are given there was no indication of the magnitude of each task. The Director of College Information Services confirmed that an action plan is in place and that the actions are achievable.

The Committee asked for details on the ICO reportable breach and these were provided. It was confirmed that the breach was not a systematic error and no further action was taken. ***Context and assurance on ICO reportable breaches will be added to future reports.***

***Update reports on data protection in the future will be presented in November and June.***

***It was also confirmed that the Committee had recommended approval of Data protection policy via email and that the Corporation had approved the policy by written resolution.***

#### **AC/20/22          Irregularity / whistleblowing update**

The Director of Governance presented the report which had been read by the Committee. The irregularity items were noted and discussed. The Committee considered the need to understand where incidents involving cash etc. and other breaches of college policy may propose a risk of fraud.

It was agreed that the position will continue to be monitored and that ***the Technical Accountant will assess the processes for systematic reporting and escalation with relevant departments and ensure controls are appropriate.*** The Technical Accountant confirmed he is already working with areas to ensure that previous learning opportunities for students in cash management can be delivered within the cashless environment.

**The Committee noted that no matters were raised under the Raising Concerns Procedure during the year.**

**The report was noted**

**AC/21/22          Appointment of auditors**

The Technical Accountant presented the paper as a follow up to the report in November.

**As the merger is proceeding the Committee supported the recommendation to the Board in paragraph 10 that:**

**ICCA continue as the internal auditors for 2022-2023**

**MCA continue as the Financial Statements auditors for the year ended 31 July 2022**

It was agreed that the timetable for tender of the services set out in paragraph 8 is accepted.

**AC/22/22          Policies**

The Technical Accountant provided a report and draft statement on the College's position on Anti-Slavery. It was confirmed that in future years the statement will be approved with the financial statements in November.

LF made some minor suggestions on recommendations around the use of language. It was agreed that these will be forwarded to the Technical Accountant.

**It was agreed that subject to consideration of the amendments the statement will be presented to the Board for approval and signature at the meeting on 7 July 2022.**

The Committee sought clarification on the position around the further considerations identified in the report which were the same as those in the previous year. The Executive Director of Finance and Technical Accountant will pick this up with the lawyers to ensure suitable provisions are included in smaller tenders and in contracts. ***The team will also work to ensure provisions on anti-slavery are routinely included within frameworks and invitations to tender.***

**The report was noted**

**AC/23/22**

**Minutes**

The minutes of the meeting on 2 March 2022 were agreed as an accurate record of the meeting.

**AC/24/22**

**Next meeting**

The calendar for 2022-2023 will be published prior to the Board meeting on 7 July 2022