

Minutes of the Audit Committee Meeting Held at 4.30pm on 11 June 2024

Present: Prue Amner (left the meeting at 6.35pm), Ashley Cullen (via Teams), Shirley Nellthorpe and Pauline Tiller (chair)

Apologies: Liz Rix

In Attendance: Adrian Ash
Mickiela Blake
Chris Caddemy
Mike Cheetham
Chris Mantel
Paola Schweitzer
Maria Vetrone
HE Consultant (Minute 176)
Director of People Strategy & Organisational Development
VP Information Services
RSM (internal auditors)
Alliotts (external auditors)
Director of Governance
COO

Minutes

171 Attendance and Participation

Liz Rix sent her apologies.

172 Declarations of Interest

There were no declarations of interest.

173 Minutes

The minutes and confidential minutes from the meeting on 12 March 2024 were **Agreed** as a correct record. It was agreed that the confidential minutes could be released into the public domain.

174 Matters Arising

Governors **Noted** that all matters arising were completed except for the subcontracting standard review (Pompey in the Community) which would take place in the summer.

175 Training: Board Assurance (RSM)

Mike gave an overview of board assurance in managing risk. Maria noted that the College's strategic risk register included three layers of board assurance. Paola would investigate options for auditing safeguarding beyond systems and processes. The next training session would either explore regularity (Alliotts) or fraud (RSM).

176 Internal Audit Report: Staff Utilisation (paper 593/24/A)

This audit reviewed staff utilisation processes and controls to ensure they were a robust part of the curriculum planning process. The audit concluded that *'the board can take partial assurance that the controls upon which the organisation relies to manage this*

area are suitably designed, consistently applied or effective. The auditors recognised the College was on a journey to design and implement a staff utilisation framework (neither of the legacy colleges had a framework) and more vigorous systems and processes. One medium and seven low priority actions were raised, all of which were accepted by management. Maria confirmed that tracking data in real time would be possible in the autumn term following the integration of Zellis (HR database) and EBS. Governors **Noted** the staff utilisation internal audit and were assured that actions were being taken to address the recommendations.

177 Internal Audit Report: Learner Number Systems (paper 594/24/A)

The objective of this audit was to ensure core aspects of learner number systems were adequately controlled and that there were no potential funding problems. The auditors identified some instances of non-compliance and several instances where errors could arise (apprenticeships). Eight medium and 10 low priority actions were identified, all of which were accepted by management. Governors noted the issues identified in the previous audit were different to those found in this audit (compliance and timeliness as opposed to systems and processes previously). One governor suggested sign up best practice was shared across the College. Pauline was disappointed with the number of partially implemented apprenticeship recommendations from the previous audit, although she was reassured that the issues were being addressed, and sought assurance that matters were being resolved. There was a discussion about increased transparency and clarity concerning apprenticeships. Governors **Noted** the learner number systems internal audit and were assured that actions were being taken to address recommendations.

178 Internal Audit Report: Capital Projects (paper 595/24/A)

The objective of this audit was to determine whether the College's processes for the management of capital projects were efficient and effective. The internal auditors concluded that *'the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.'* The audit raised two low priority management actions, both of which were accepted by management. Governors **Noted** the capital projects internal audit.

179 Internal Audit Follow Up Report (paper 596/A/24)

RSM reviewed progress on 2022/23 management actions, except those concerning learner numbers (the audit was on going at the time of writing the follow up report) and concluded that *reasonable progress* had been made with 84% of recommendations implemented. Action was being taken to fully implement the remaining recommendations, including the one high priority action. This action concerned the return of new starter checklists confirming completion of safeguarding training. Shirley stated this was discussed at safeguarding meetings and it was an issue of returning checklists, rather than completing training. From 2024/25 new starters (rather than managers) would be responsible for returning checklists with non-compliance managed through the probation process. Governors **Noted** the internal audit follow up report.

180 Internal Audit Progress Report (paper 632/24/A)

RSM had completed all audits agreed in the 2023/24 internal audit plan. Maria noted that poor record keeping and non-compliance were the emerging themes and these

were being taken seriously by the College. Governors **Noted** the internal audit progress report.

Minute 181 was confidential.

182 Outstanding Audit Recommendations Follow Up (paper 598/24/A)

34 audit recommendations were raised in 2023/24: five had been implemented, 28 were being implemented and one had not yet started. In response to a question, Maria confirmed that there were no instances where management disagreed with RSM. Having scrutinised the report, in particular recommendations that had not yet been implemented and had passed agreed timelines, governors **Noted** the outstanding audit recommendations follow up report.

183 Strategic Risk Register (paper 599/24/A)

There was a deep dive into human resources (HR), with Mickiela giving a [presentation](#) on HR risks on the strategic risk register (shortage of skills/experience and failure to recruit/retain staff; failure to create unified College culture; and failure to embed organisational restructure) and how they linked to the six HR risks identified in the operational risk register. She also gave an overview of the mitigating actions including sickness management, defining College culture and investment in HR structure.

Maria then gave an overview of the strategic risk register, which had been updated following the recent strategic risk management board meeting (Audit Chair observed). There were 28 strategic risks, five of which were categorised as significant/business critical and 12 as high net risk. All had mitigating actions. There had been some changes to the register since the last meeting:

- Two new risks: non-compliance with health & safety regulatory framework and legal requirements (separated out from a wider strategic risk); and failure to implement a digital strategy and to assess and address the impact of AI.
- Three reduced risks: failure of information systems and loss of data; failure to create a single unified COPC culture leading to poor staff morale: and failure to improve student experience.

Shirley had observed a management board meeting and found the process to be rigorous. Pauline agreed, noting how discussions had matured over the year. Governors scrutinised the report, noting the changes in risk definitions, risk assessments, movement of net risks and associated commentary and actions and **Agreed** to recommend the strategic risk register to Corporation.

Prue left the meeting.

184 External Audit Plan 2023/24 (paper 600/24/A)

Alliotts, the College's external auditors, would undertake their second audit for the College for the year ending 31 July 2024 and the plan summarised their approach and materiality levels, highlighted significant audit risks and areas of key judgements, confirmed audit deliverables and timelines and provided details of their team. Chris noted the meeting presented an opportunity for governors to raise any concerns. He stated that the risks identified were similar to the previous year, although regularity had been strengthened due to the College dissolving its subsidiary companies. In response to a question, Maria confirmed that dissolving the subsidiary companies had followed

due process. Having scrutinised the External Audit Plan for the year ending 31 July 2024, governors **Agreed** to recommend it to Corporation.

185 Strategic Internal Audit Plan & Annual Internal Audit Plan 2024/25 (paper 601/24/A)

The internal audit plan for the year ending 31 July 2025 was informed by the strategic risk register and included the following reviews: human resources, risk management, apprenticeships, key financial controls (payroll) and learner number systems follow up. It was agreed that apprenticeships would be pushed back to allow time for the new Assistant Principal to have an impact. An IT/digital review would provisionally be added to the 2025/26 plan and in the meantime Mike would liaise with Maria about best practice in the sector. Having scrutinised the strategic internal audit plan and annual audit plan 2024/25, governors **Agreed** to recommend it to Corporation.

186 Regulatory Framework: Post-16 Audit Code of Practice & College Accounts Direction (paper 602/24/A)

Governors **Noted** the updated Post-16 Audit Code of Practice and College Accounts Direction.

187 Committee Terms of Reference & Business Plan 2024/25 (paper 604/24/A)

Each Committee reviewed its terms of reference (ToR) annually in the summer term to ensure they were fit for purpose for the new academic year and to reflect on performance. One minor change was proposed. Governors **Noted** performance against the Committee's ToR in 2023/24 and the Committee's 2023/24 business plan and **Agreed** to recommend the ToR to Corporation. *What went well even better if* would be considered at the next meeting.

188 Data Protection Breaches

There had been one data breach since the last meeting relating to a copy of a payslip being emailed to the wrong member of staff (contact details had been disclosed). The matter was reported to Chris and a change in working practice had been instigated. The College was not required to report the breach to the ICO.

189 Anti-Fraud, Bribery & Corruption Breaches

No fraud, bribery or corruption breaches had been reported.

190 Meeting with Internal & External Auditors without Staff Present

Chris noted that Maria was pro-active in keeping him informed and Mike stated he had a constructive professional relationship with Maria.

The meeting ended at 7.15pm