

Minutes of the Audit Committee Meeting Held at 4.30pm on 17 September 2024

Present: Prue Amner, Ashley Cullen (Microsoft Teams), Shirley Nellthorpe and Pauline Tiller (chair)

Apologies: Liz Rix

In Attendance: Mike Cheetham RSM (internal auditors) (Mins 191 – 201)
Paola Schweitzer Director of Governance
Maria Vetrone COO

Minutes

Andrea Deegan, Fraud Risk Services Director, RSM, gave a [presentation](#) on fraud & bribery awareness including the definition of fraud, legal requirements including the new *failure to prevent* requirement under the Economic Crime & Corporate Transparency Act 2023 and Corporation/Audit Committee responsibilities. As part of the regular policy review cycle, the anti-fraud policy would be tabled at the Committee's spring meeting following review by RSM.

191 Attendance and Participation

Liz Rix sent her apologies.

192 Declarations of Interest

There were no declarations of interest.

193 Minutes

The minutes and confidential minutes from the meeting on 11 June 2024 were **Agreed** as a correct record.

194 Matters Arising

Governors **Noted** that matters arising were either completed or ongoing.

Minute 175: Training: Regularity training would take place at the first 2025/26 meeting.

Minute 185: Strategic Internal Audit Plan & Annual Internal Audit Plan 2024/25: it was too early to undertake an IT/digital review. Maria would continue to liaise with Mike.

Minute 187: Committee Terms of Reference & Business Plan 2024/25: *What went well, even better if* to be considered at the end of the meeting.

195 Internal Audit Annual Report 2023/24 (paper 655/24/A)

29 audit actions were raised through internal audit reports in 2023/24, all of which were agreed by management. RSM had not categorised any of them as high priority. The

internal audit annual report 2023/24 concluded that the College *'has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.'*

In response to a question Mike confirmed RSM would not have given the College an unqualified opinion if he believed access to information had been restricted. Governors welcomed the clean report and congratulated Maria and College staff. Having scrutinised the report, in particular the audit opinion and summary of internal audit work, governors **Noted** the internal audit annual report 2023/24.

196 Subcontracting Standard Review: Pompey in the Community (paper 656/27/A)

This audit was commissioned to meet ESFA requirements. The College had one subcontract with Pompey in the Community, drawing down £196k of ESFA 16-19 study programmes funding in 2023/24 for the benefit of 49 learners. The auditors raised four low risk recommendations, all of which were accepted by management and would be implemented by the end of October 2024. In response to a question, Maria clarified that sub-contracting documentation would be amended accordingly (no changes would be made to wider procurement processes) and that the contracting year would be aligned. Having scrutinised the report's findings and action plan, governors **Noted** the Pompey in the Community subcontracting standard review.

197 External Reports: FNTI & PIMS (paper 657/24/A)

In July 2024 the DfE advised the College that significant progress against the terms and conditions of its Financial Notice to Improve (FNTI) meant that it was being moved out of intervention and into Post Intervention Monitoring & Support (PIMS) where it would be monitored against the actions set out in the PIMS plan. Once completed, the College would be removed from PIMS. The action plan aligned to the College's KPIs and would be monitored by Corporation. Governors welcomed this external assurance that good progress was being made within the College and **Noted** the lifting of the FNTI moving out of intervention and into PIMS.

198 Outstanding Audit Recommendations Follow Up (paper 658/24/A)

This report confirmed management progress in implementing audit recommendations raised by internal and external auditors as well as other independent reviewers of the College's internal control framework.

All audits from the 2023/24 internal audit plan had been completed. Of the 34 recommendations raised by the internal auditors in 2023/24, 21 had been implemented, 12 were in progress and one had not started. One recommendation had passed its implementation date and was now due for completion in autumn 2024. This concerned integrating the HR system with EBS to automate staff utilisation data and would more efficiently and accurately support staff efficiency measures and safeguarding processes. The delay was due to the fact that the HR system Zellis was being changed to a Cloud-based system which the College had not expected when responding to the original audit recommendation.

Of the 12 management actions from the independent cyber event report, eight had been completed. There was a discussion about why patch management had not been completed. Maria clarified that whilst patches were up to date and mostly automated,

it was not possible to guarantee that all of them were current, particularly those that required manual intervention. These were very few in number and posed little risk to the College. Staffing shortages in IT Services were being addressed. Maria would be directly responsible for IT in its de-coupling from the VP Information Services role. Governors discussed the financial planning and budgeting action RAG rated red and suggested the commentary was clarified to state the outstanding action was to ensure budget holders were satisfied with their budgets (not just that they understood them).

Having scrutinised the outstanding recommendations, particularly those that had not been implemented and had passed agreed timelines, governors **Noted** the outstanding audit recommendations follow up.

199 Whistleblowing Policy & Annual Report (paper 659/24/A)

Governors discussed the whistleblowing policy. They asked that the policy was separated from the procedures, and that the policy was brought to the Committee's next meeting. There was a discussion about the policy register and governors suggested that all procedures were separated from policies, with priority given to policies requiring board approval. It was agreed Paola would check how many policies requiring board approval this applied to and whether an annual whistleblowing report was required. Governors **Agreed** the proposed amendments to the whistleblowing policy (notwithstanding the action above) and **Noted** that there were no whistleblowing incidences in 2023/24.

200 Regularity Self-Assessment Questionnaire 2023/24 (paper 660/24/A)

The regularity self-assessment questionnaire would be reviewed by the College's external auditor and reporting accountant, Alliotts, to provide assurance as part of the annual financial statements regularity audit procedures for 2023/24 that funding was used for its intended purposes and financial transactions conformed with the regulations. The reporting accountant was required to set out any material matters within their assurance report on regularity, with any other findings (including concerns over propriety) set out in their management letter to Corporation.

There were no major changes to the questionnaire from last year other than the addition of confirmation of compliance with the law, regulations and rules concerning the College's charitable status. The College had reported compliance in all areas. There was a discussion about the debt write off concerning the College's subsidiary companies (all but one had been dissolved in 2023/34), the cyber event and the Nigerian company which was still being dissolved. Governors reviewed the questionnaire, noting a few amendments and **Agreed** to recommend the questionnaire to Corporation for signature.

201 Regulatory Framework: College Financial Handbook (paper 661/24/A)

Governors **Noted** the College Financial Handbook.

202 Committee Training & Development (paper 662/24/A)

Mike left the meeting.

The report evaluated the impact of the Committee's training and development in 2023/24, confirmed that, according to the 2024/25 skills audit, the Committee had the

necessary knowledge and experience to discharge its responsibilities and proposed training and development opportunities for 2024/25.

Shirley noted that in addition to the 2023/24 activities, she had attended the AoC Funding & Data Masterclass on 18 June 2024. She also encouraged governors to review the Ofsted checklist she had discussed with the VP Student Experience and which would be appended to her safeguarding feedback report. Governors confirmed they would attend the College's Strategic Risk Management Board meetings in 2024/25. Pauline suggested Paola seek Liz's views on training in 2023/24, given she was the newest Committee member.

Governors discussed '*what went well, even better if*' with Pauline noting that she needed to try to ensure the meeting didn't run over. The training sessions at the start of each meeting had worked well. Shirley provided assurance that the Committee's business plan covered off the necessary activity (as confirmed through the AoC Masterclass). There was a discussion about whether Alliotts would prefer to attend meetings for their agenda item, rather than attend the whole meeting. That option would be offered to them but Maria confirmed it was usual practice for external auditors to be present for the whole meeting. Maria believed the Committee worked well, getting the assurance it needed and triangulating information to Corporation.

Governors then discussed the meeting schedule agreeing:

- The next meeting would be 26 November 2024, thereby allowing Corporation to receive the minutes in good time
- Deep dives would be scheduled for the first autumn term and spring term meetings, when the agendas were lighter. Governors would agree the subject at their next meeting (possibly apprenticeships or IT).
- In 2025/26 the Committee's first meeting would be later so the strategic risk register could be considered.

The meeting with the auditors without staff was deferred to the following meeting.

The meeting ended at 18h25