

REASEHEATH COLLEGE BOARD
AUDIT COMMITTEE MEETING

Minutes of the meeting held on 21 March 2024 at 10am in the Committee Room

Present: Gary Crowe (independent, Chair) GC
 Karol Bailey (independent) KB (*via videoconferencing*)
 Peter Green (independent) PG
 Evelyn Davies-Jones (independent) EDJ
 Fran Johnson (external, co-opted) FJ

In attendance: Alex Hire (RSM) AH
 Marcus Clinton (principal) MC
 Graeme Lavery (vice principal finance and resources) GL
 Jackie Schillinger (head of governance) JS

PART A unless stated

| item | Content |
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| 1. | Standing Items |
| 1.1 | Apologies were received and accepted from Mike Gorton. |
| 1.2 | There were no declarations made to the meeting. |
| 1.3 | The meeting was quorate and remained quorate throughout. |
| 1.4 | At the start of the meeting, the committee met with the auditor without managers present. There were no concerns raised and it was confirmed that there is healthy challenge and discussion in the working relationship. |
| 1.5 | RESOLVED: The minutes of the meeting held on 30 November 2023 were confirmed as a correct record. |
| 1.6 | RSM Sector Update Briefing: AH provided a sector briefing with supporting material including RSM emerging risk radar, global international audit standards and taking action to drive improvement publications. The sector update highlighted the maths and English condition of funding, the Advanced British Standard, the Lifelong Learning Entitlement, the new AoC Code of Good Governance, and the reclassification of colleges in the public sector with the newly published financial handbook. The updates can be accessed by all governors on the Audit Committee section of the governor portal on SharePoint. Following discussion, the committee considered the executive team and senior management well sighted on emerging sector issues and potential risks and that the reclassification elements are well understood and managed by the executive team. <i>ACTION: Discussion on emerging risk with risk radar provided at Board May development day.</i> |
| | Corporation Core Function Accountabilities |
| 2. | Exercising effective control to ensure that funds and assets are protected, your organisation remains solvent and legal obligations are met Holding executive leaders to account for the educational performance and quality of your college and for the performance of staff |

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| 2.1 | Internal Audit Progress Report: The committee received assurance from the report that the work schedule is on track and will be completed this year, as planned. |
| 2.2 | Internal Audit Further Education Benchmarking Report: The committee received the report with interest, as providing useful contextual information and confirming that the college is not out of line with other similar colleges in terms of internal audit outcomes, management actions and themes. The committee emphasised that it supports the current audit culture in the college of seeking out potentially problematic areas to gain real value from the internal audit service. |
| 2.3 | Internal Audit Report: Arrangements for the Delivery of Skills Priorities: Substantial assurance received and a very good outcome with thanks to the teams involved in the audit and for their excellent work in this area. |
| 2.4 | Internal Audit Report: Academic Quality Framework: Substantial assurance received which supports the drive for improvement and strong assurance on the processes in place to support this. Again, thanks to the team involved for their continued good work. |
| 2.5 | Internal Audit Planning for 2024-25: An initial discussion was held on potential areas to include in the context of the risk areas on the emerging risk radar and the cycle of audits that the college must ensure are covered in a timely way. Chair, GC confirmed he would attend the forthcoming planning meeting at college and another member of the committee may also wish to attend. The date of the meeting was confirmed, and this would then be reported as a draft internal audit plan to the next committee meeting in July for approval. |
| 2.6 | Internal Audit 4Action Tracking Report: Two date variations agreed for the internal audit actions to July 2024. GL confirmed that all other actions were on track and the committee noted for assurance that all key actions down as completed will be picked up and checked in the internal audit follow up report by RSM later in the year. |
| 2.7 | RESOLVED: Approval for action 1036 and 2349 to vary the target date to 31 July 2024 to give time for the additional work to be completed. |
| 2.8 | Health and Safety Processes: Action Implementation and Independent Audit Progress Report: A verbal report was provided on this item by the Vice Principal Finance and Resources, GL. He explained that the independent audit report is expected imminently but has not yet been received. Members had received a copy of the Health and Safety Executive (HSE) letter, and a full discussion was held on this important item. Following discussion, the committee recommended that this area be considered in the forthcoming internal audit planning meeting with a view to agreeing a timescale for internal audit to carry out a check and challenge exercise on the actions taken across the college in response to the investigation. As further external assurance reporting was expected very shortly, the committee agreed that it would review once this was received and would offer its full support to the Board in securing further assurance. It was noted that a full report on health and safety was being made to the Board meeting on 28 March 2024. |
| 2.9 | Data Protection Officer Report: Progress on ISO27001 preparation and information security controls in place: The committee welcomed the progress and strong assurance on existing controls on information/cybersecurity working towards ISO27001 in a realistic timescale. |
| 2.10 | Fraud Strategy Report: Draft Strategy: The committee welcomed the good progress on implementing the RSM audit recommendations on a comprehensive counter fraud strategy following the internal audit on this area, with the formal suite of policies to be presented for approval at the July meeting. |
| 2.11 | RESOLVED: The reporting received provides positive overall assurance on the college's internal control processes covered in the meeting and the implementation of audit actions, and on Health and Safety risk, the committee awaits further external assurance that will be reported through to the Board and this risk area will be considered further in the forthcoming internal audit planning meeting. |
| 3. | Setting and Communicating the College Strategy and Goals – Strategic Risks |
| 3.1 | Strategic Risk Report: The committee considered the report based on each committee's review of risk within its remit. JS updated the committee on the recent Quality and Standards Committee consideration of risk, with the risk to quality and student outcomes remaining a high risk at this stage despite positive signs. The committee reviewed the risk reporting and confirmed that it was adequately assured on its area of risk remit, which included irregularities. It was agreed that the irregularity agenda item could be expanded to include the other areas of legal/regulatory risk to provide a clearer view on strategic risk 10. The committee |

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| | commented that risk reporting is developing well, with a session planned for the full board on risk appetite/ consistent terminology for assurance reporting via committees. <i>ACTION</i> |
| 4. | Closing items |
| 4.1 | There was no other business reported to the meeting. |
| 4.2 | Meeting Impact Evaluation Against Core Functions/TOR: The committee reports the following key points to the Board: <ul style="list-style-type: none"> • Positive assurance on regularity with no irregularities reported in the period. • Good progress on implementing the recommendations on a comprehensive counter fraud strategy following the internal audit on this area. Good progress and assurance on existing controls on information/cybersecurity working towards ISO27001 in a realistic timescale. On track on the internal audit plan this year and audit action implementation raises no concerns with this being checked by the RSM follow up audit. • Substantial assurance received on: Internal Audit Report: Arrangements for the Delivery of Skills Priorities and Internal Audit Report: Academic Quality Framework. • The Audit Committee Chair and another member of the committee will attend this planning meeting with management and auditors. They will consider health and safety process in the forthcoming internal audit planning meeting with a view to agreeing a timescale for internal audit to carry out a check and challenge exercise on the actions taken across the college in response to the health and safety investigation and the committee offers its full support in securing further assurance. • Strategic Risk review considered based on committee reporting and this is developing well, with a session planned for the full board on risk appetite/ consistent terminology for assurance reporting. |
| 4.3 | RESOLVED: The date of the next meeting was confirmed as Thursday 11 July 2024 at 10am [<i>post meeting note: this date was changed to 10 July</i>] |

The meeting closed at 12.00pm

Approved as a correct record: 10 July 2024

Chair: Prof Gary Crowe