

**PUBLIC MINUTES OF THE
AUDIT COMMITTEE
11 JUNE 2024**

Present:

Mr A Dover (External Board Member) (Chair)
Mr M Fabian (External Board Member)
Mr P Lachecki (External Board Member)
Ms G Read (External Board Member)

In Attendance:

Mr D Alma, Health and Safety Manager – items 23/24 and 24/24
Mr A Bates, Chief Financial Officer
Mr J Billingham, Director of IT and Estates - items 23/24 to 25/24
Mr M Burgess, Principal
Ms J Cosson, Governance Professional/Clerk to the Board
Mr S Harvey (External Board Member) – to item 25/24 via Teams
Mr A Hussain, RSM – except item 37/24
Mr A Phipps, Hazlewoods – except item 37/24

Apologies:

Mr K Agnew, IT Systems and Security Manager
Mr S Lawrence, Hazlewoods
Ms L Tweedie, RSM

Attendance: 100%

17/24 Opportunity for Private Business (including with Auditors)

Members were given the opportunity to meet with the Auditors in the absence of the Executive. Members and Auditors confirmed that there were no matters of concern that they wished to raise in the absence of the Executive.

18/24 Apologies

Apologies were noted and received as above.

19/24 Declarations of Interest

None, other than those standing declarations currently recorded on the Register of Interests.

20/24 Confidentiality of Items

As marked, due to their commercially sensitive nature, for a period of two years.

21/24 Minutes of the meeting of 28 February 2024

The minutes of the meeting were approved and signed as a true record by the Chair.

22/24 Matters Arising from the Minutes and Actions Matrix (C)

Members reviewed the actions matrix and noted the status update of each item.

23/24 Health and Safety Update (C)

JB and DA presented the Health and Safety Update to April 2024.

AD confirmed that he had met with DA prior to the meeting in his role as Health and Safety Link Governor. He was pleased to report that there are lots of areas rated green and that the external review of H&S was encouraging and reassuring.

Members were pleased to read the departmental external assurance reports included in the papers and noted the progress in Construction, which is a notoriously high-risk area.

The Link Governor for Mental Health and Wellbeing asked if staff receive Mental Health First Aid Training. They were informed by MB that many staff members have been trained but this is run by the Student Hub rather than the H&S Team and is reported to C&Q. DA confirmed that training is planned for First Aiders. JB added that Mental Health training is one of the mandatory staff training modules.

PL mentioned a new mental wellbeing helpline launched by GCC.

ACTION: JC to investigate new mental wellbeing helpline launched by GCC and forward details to DK.

The Chair asked if there is usually a good turnout at H&S Committee meetings. DA answered that there is because they are tagged on to the end of HoS meetings. A representative from HR attends too.

A Member asked if the College DBS checks main contractors. DA replied that the College does not carry out the checks itself but asks to see evidence of their own DBS checks e.g., the fire safety contractor.

Another Member asked if the College carries out H&S checks on its tenants and was informed by JB that the College's managing agents have been asked to seek assurance from the tenants that the necessary checks have been carried out but this has not been received, so the College is taking responsibility back and will charge the tenants for doing so. The College remains responsible for insuring the property as landlord.

RESOLVED: The Committee noted the report and the current assessment of the College's Health and Safety arrangements.

DA left the meeting.

24/24 Emergency Preparedness – Draft Emergency Incident Policy and Procedure (C)

MB presented the College's draft Emergency Incident Policy and Procedure.

MB described the rationale behind the document in the context of the College. the government guidance was included in the papers.

Subject to some tidying up, Members agreed that it was a good draft but encouraged the College to finalise the document and communicate it in simple terms to staff and students as soon as possible, hoping that it will never be required.

RESOLVED: The Draft Emergency Preparedness – Emergency Incident Policy and Procedure was approved.

ACTION: JC to add annual review of the Emergency Incident Policy and Procedure to the Audit Committee Cycle of Business.

DA left the meeting.

25/24 Cyber Security Update (C)

JB presented the Cyber Security Update prepared by KA. SH attended for this item.

JB reported that a test of the Critical Incident Action Plan is due to take place tomorrow which will specifically test the procedures while key personnel are absent, and deputies are in charge. SH will be involved.

The report covered the significant activities since the last meeting including staffing, training, external assurance, Cyber Essentials and CE+ and the Cyber Incident Response Plan.

The Cyber Risk Register was included.

The Chair asked how the trial roll-out of MFA on some student accounts had been received. JB reported that it had gone smoothly, and he was happy to roll it out to all students in September.

Members discussed the intention to apply for Cyber Essentials accreditation again in October 2024. JB highlighted the cost of keeping hardware and software up to date to meet the criteria. The College must balance the cost with the need to protect the organisation. The College is being frugal in terms of negotiating licences and reviewing products, but it is an issue that is not going to go away.

SH commended the work being done to review the efficiency of the use of IT. He remarked that the College faces several hundred potential cyber-attacks each day and must make sure they are unsuccessful.

Members discussed Governor completion of Boxphish training.

It has been agreed that SH and KA will produce an annual Cyber Security report for the Board in July. The Chair thanked SH for spending time on this important matter.

RESOLVED: Members noted the Cyber Security Update.

JB left the meeting.

26/24 Draft External Audit Plan and Letters of Engagement

AP, Hazlewoods' Audit Manager, presented the External Audit Plan for the year ended 31 July 2024 and the Engagement Letters for the College and its subsidiaries. He explained that these were largely as per previous years and followed the wording of the Post-16 ACOP.

AP drew the Committee's attention the main areas of risk for consideration for this year. They have not changed significantly from last year. He went through the audit timetable and highlighted the Board and Audit Committee responsibilities and the Auditors' responsibilities. This is Hazlewoods' second year of their current contract with the College and there will be continuity of staff. He asserted Hazlewood's independence.

Fees were as quoted in the plan.

RESOLVED: The Draft External Audit Plan for the year ended 31 July 2024 and Letters of Engagement were approved under the delegated powers of the Committee and AD and AB authorised to sign them as appropriate. They will be presented to the next Board meeting for notification.

The External Audit Fees were agreed.

AD signed the College's Letter of Engagement on behalf of the College and AB signed the subsidiary company Letters of Engagement on behalf of the subsidiary companies.

AP left the meeting.

27/24 Internal Audit Reports

AH, from RSM, presented the following final Internal Audit Reports together with the follow-up report on audit recommendations and the report showing progress against the Internal Audit Schedule for the year.

- **Student Experience and Support Framework – Employability**

AH reported that there were lots of positives in the report and Reasonable Assurance was provided. There were some low priority recommendations – minor housekeeping points.

A Member asked how this compares with other colleges and was informed that it compares positively.

- **Learner Number Systems**

AH reported that this was an advisory review following changes to funding reviews – an early heads up on any areas for improvement prior to a formal funding review. Three strands of funding were reviewed. It is not uncommon to find lots of areas for improvement.

The College had prepared a helpful summary of the recommendations with the status/actions taken against each one. AB reported that the report was useful evidence for the College to be able to support its messages to staff. There is a risk of loss of funding if this area is not accurate, particularly around Apprenticeships.

Members acknowledged that it is a complex area which is vital to get right, and they would have been surprised if no recommendations had been made. Some points might appear to be trivial but, if they have funding implications, they are serious. They found it a very helpful and reassuring report and were pleased to see prompt action being taken to address each recommendation.

- **Key Financial Controls**

AH reported that Reasonable Assurance had been provided with lots of positives found and three recommendations made. It was pleasing to see that all policies and procedures had been updated to reflect the requirements of 'Managing Public Money'.

Members discussed the need to be vigilant against fraud. AB advised that Barclays provide regular training to the College Finance Team.

Members congratulated AB and the College on a good report.

ACTION: JC to send to Student Experience and Support Framework – Employability to C&Q for notification.

Follow-Up Report

Members reviewed this report and were satisfied with the level of progress in relation to following up on previous recommendations.

A Member noted that the GC Zero project review had not yet been completed because the project had not finished yet and wondered when it would be considered completed. MB advised that a full cycle of data was needed for a full review but a lessons learned paper could be provided for the next meeting.

ACTION: GC Zero project review/lessons learned to be provided for the next meeting.

Members noted the actions remaining under Human Resources Controls: Staff Recruitment and Retention and that these had been put back on to the Audit Recommendations Register for the new DPC to work through.

A Member commented that staff recruitment is red on the Risk Register and asked if the College recruits from abroad, in the light of the recent changes to eligibility rules. MB advised that the College has recruited from abroad, but the success rate has been poor.

Progress Report

AH reported that all planned audits have been completed and the annual report will be issued shortly. It will be positive.

RESOLVED: Members noted the Internal Audit Reports.

Draft Internal Audit Plan for 2024/25

AH presented the six proposed areas for review in the Internal Audit Plan for 2024/25 and the rolling Internal Audit Strategy 2023-2026.

A Member asked about the process behind the formulation of the plan. AH replied that it is based on:

- 'Must do' areas
- RSM knowledge of sector developments
- College input in relation areas of concern/interest e.g. HR due to change of leadership
- Review of the Risk Register

JC pointed out that, although the Committee approves the internal audit plan under delegated authority from the Board, it is the Board's plan, and all Board Members are invited to offer suggestions for/amendments to the plan. This will be made clear at the Board meeting in July.

A Member observed that the Key Financial Controls – Creditors and Payments audit will include consideration of how the College has addressed the Public Sector Procurement Bill, due to be introduced from October 2024. They wondered if the bill will have been embedded by them or whether it will be too soon for anything to have changed. AH explained that it will be possible to amend the plan in-year if necessary.

RESOLVED: The Draft Internal Audit Plan for 2024/25 was approved under the delegated powers of the Committee for presentation to the next Board meeting for notification.

The Internal Audit Fees were agreed.

AH left the meeting.

28/24 Implications for the College of the Procurement Act 2023

AB presented a paper on the implications for the College of the Procurement Act 2023 due to be introduced from October 2024. He reported that the new act is relatively straightforward but will increase the administrative burden of managing tenders.

A Member asked where the Board reviews major contracts and when they are due and was informed that an annual procurement report is presented to the Audit Committee in the autumn.

Another Member noted that, for large scale projects, such as the Construction Centre, the College can look to outsource tendering services to ensure strict compliance and wondered in what circumstances it would do so. AB replied that it would depend on the project and whether it was cost effective. The Member would be keen to support local businesses if possible.

Members commended the conclusion that the bill provides an opportunity for the College to review its existing contracts and pipeline so that it can make proactive and informed decisions for awarding new contracts, renewals and terminations. A Member stressed that, in their experience, it is important to give feedback on tenders.

RESOLVED: The Implications for the College of the Procurement Act 2023 paper was noted.

29/24 Value for Money Annual Report

The Audit Committee Terms of Reference include a duty to comment on the arrangements for securing value for money. It is part of the Board Assurance Framework.



Gloucestershire College

AB presented the annual report on the College's arrangements for securing Value for Money, including a review of the major activities undertaken in 2023-24.

The Board also receives an annual report on significant expenditure.

The College has identified key objectives for achieving Value for Money. The framework for seeking Value for Money and a review of the major activities undertaken in the year were set out in the report.

RESOLVED: Members noted and were satisfied with the Value for Money Annual Report.

30/24 Risk Management Update and Review of Board Assurance Framework

AB presented the **Risk Management Report and Review of the Strategic Risk Register**.

He reported that there has been little change to the Risk Register since the last meeting, but further changes may be made before the next Board meeting to reflect the fact that the financial position is slightly more positive, meaning the likelihood of impact on certain areas is less.

A Member asked if the announcement of the general election on 4 July has created any additional risks. MB replied that the uncertainty has crystallised some risks.

Another Member asked if it is worth adding the flood risk at Gloucester to the Register. MB answered that there is not much the College can do until the next flood risk assessment is published in two years' time and it affects the whole of the city not just the College.

A Member asked about the likelihood of industrial action. MB gave an update on pay negotiations with the unions which have been delayed due to the general election.

RESOLVED: Members noted the Risk Management Update and latest Principal Risk Register changes.

MB introduced the **Board Assurance Framework (BAF)** reviewed annually by the Committee and the Board.

AD explained to new Members that the Board gets assurance from many different sources, including external, independent sources, as well as from the leadership team. This document sets out all the various ways in which the Board obtains assurance in the different areas of its responsibility.

Members were comfortable that the Board is getting assurance in all key areas from a variety of sources beyond what is presented to it by the executive.

RESOLVED: The BAF was noted.

31/24 Review of Audit Recommendations Register

Members reviewed the Audit Recommendations Register (ARR) and received an update from AB as to the status of each item.

MB reported that there is one action on the complete list (1.11) that has not been completed in the way that has been recommended. The College is comfortable with this.

The recommendations from the internal audit reports presented at the meeting will be added to the ARR.

The Chair noted that the ARR is a lot briefer than it used to be and commended the College on closing off the actions.

RESOLVED: Members noted the status of and were satisfied with the Audit Recommendations Register.

32/24 Management Update on Reportable Events

There had been no such events since the last meeting.

RESOLVED: The Update on Reportable Events was noted.

33/24 Committee Matters

Members considered the Committee Self-Assessment against the Terms of Reference of the Committee. They agreed that the Committee was compliant and had achieved its core purpose this academic year.

Members reviewed the revised Terms of Reference and Agenda Cycle and noted that these would be presented to the next Board meeting for approval.

Members discussed the reappointment of the Chair and Vice-Chair.

RESOLVED: The Self-Assessment was noted, and the findings confirmed.

The Revised Terms of Reference were approved for recommendation to the Board.

It was recommended that AD be reappointed as Chair and PL as Vice-Chair of the Committee for 2024/25, for approval by the Board at the July meeting.

34/24 Key Items for GC Board (C)



Gloucestershire College

The Key Items for Board were discussed, noting any risks to be added/highlighted on the Risk Register.

35/24 Any Other Business

Review of Register of Gifts and Hospitality

The Chair carried out the annual review of the Register of Gifts and Hospitality and signed the Register to indicate that he was satisfied that it was order.

36/24 Date and Time of Next Meeting

26 September 2024 at 5.00pm

MEMBERS ONLY ITEM

37/24 Review of Performance of Internal Auditors and Approval of Reappointment and Fees for 2024/25

Confidential Members Only Minute.

Signed

Date

26.9.24