

**PUBLIC MINUTES OF THE
AUDIT COMMITTEE
26 NOVEMBER 2024**

Present:

Ms A Berry (External Board Member) via MS Teams
Mr A Dover (External Board Member, Chair of Audit Committee)
Mr M Fabian (External Board Member)
Mr S Harvey (Co-opted Member) via MS Teams up to and including item 63/24
Mr P Lachecki (External Board Member)
Ms S McKinlay (External Board Member)
Ms G Read (External Board Member)

In Attendance:

Mr D Alma, Health and Safety Manager up to and including item 61/24
Mr A Bates, Chief Financial Officer
Mr J Billingham, Director of IT and Estates up to and including item 62/24, and item 74/24
Mr M Burgess, Principal
Ms J Cosson, Governance Professional/Clerk to the Board
Mr S Lawrence, Hazlewoods up to and including item 64/24
Mr A Phipps, Hazlewoods up to and including item 64/24
Ms L Tweedie, RSM from item 64/24

Apologies: None

Attendance: 100%

55/24 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.

56/24 Apologies

Apologies were noted and received as above.

57/24 Declarations of Interest

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

58/24 Confidentiality of Items

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

59/24 Minutes of the meeting of 26 September 2024

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

60/24 Matters Arising from the Minutes and Actions Matrix (C)

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

61/24 Health and Safety Update (C)

JB and DA presented the Health and Safety Update to the end of October 2024.

Members reviewed the reports under the Health and Safety Actions in the Actions Matrix and the monthly report.

There have been no RIDDOR incidents in the last 12 months.

Members review the first aid data. They noted that there appeared to be a lot of medical issues affecting learners such as seizures and collapses. They were concerned to learn that some of these arose from not eating resulting in low blood sugar levels. DA commented that this is becoming a common feature in colleges. Members asked what measures the College is putting in place for students in terms of health and well-being and were informed that it raises a broader question which is a question for Dave Kettleby but, in terms of immediate action, the college sits with learners while they recover then sends them home. Sometimes, it might be a one-off incident; if it is a repeated occurrence, there might be a safeguarding issue. DA advised that there has been a spike in eating disorders.

A Member remarked that there appeared to be more injuries at College than in previous years and wondered why. DA answered that, in previous years, plasters were available in classrooms which meant that cuts were not being reported. Emergency first aiders are now trained to issue these, so more injuries are being reported than previously.

ACTION: DA was requested to include this kind of analysis in the report to substantiate the data.

A Member observed that there were low percentages in training and wondered why. DA reported that a new risk assessment has been published which DA is training staff on.

DA reported that the external assurance audit is scheduled for January/February.

Members agreed that, overall, the report was positive, and it appeared that matters are under control, but they appreciated that it is a never-ending task. The Chair commented that, in his experience, young people are not developing their own assessment of risk since a lot of things are done for them these days.

Members were asked if they wish to continue to receive photographs in the report and stated that they do.

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

DA left the meeting.

62/24 Cyber Security Update (C)

JB presented the Cyber Security Update. SH attended for this item, in his capacity as Digital Technology Link Governor.

JB advised that there were no incidents of significance to report.

KA will give a cyber security presentation to governors at the December Board meeting.

RESOLVED: Members noted the Cyber Security Update.

SH left the meeting.

63/24 External Audit Findings Report and Approval of Letter of Representation (C)

SL presented the Report to Trustees on behalf of the College's External Auditors, Hazlewoods.

The Post-16 ACOP requires that the External Audit Report must be presented by the College's External Auditors to a meeting of the full Board of Governors. SL would also attend the December Board meeting to present the findings to all Board Members.

SL highlighted the purpose of the report, the audit approach and materiality. He confirmed Hazlewoods' independence and asked if there was anything Members needed to make him aware of. He took Members through each of the management points set out in the report.

In summary, SL concluded that there were no adverse or material findings reported and nothing that would cause the Auditors to modify their opinion in the Financial Statements. No regulatory weaknesses had been found and he was content to sign the Financial Statements. He reported that the College has good financial controls and a good Finance team. He congratulated all involved at the College on a clean report and thanked the GC Finance Team for their co-operation with the audit. He was content to put the Financial Statements forward for recommendation by the Committee to and approval by the Board.

Members considered that it was as positive, clear report. The Committee conveyed thanks to the College Finance Team and the External Auditors for their work.

Members reviewed the Letter of Representation, which was in standard form. The Report to Trustees and Letter of Representation will be presented to the Board meeting in December.

RESOLVED: The Committee noted and approved the Report and the Letter of Representation for recommendation to the Board meeting on 12 December 2024.

ACTION: SL to attend December Board meeting to present findings to full Board as required by Post-16 ACOP.

64/24 Recommendation of Draft Financial Statements (C)

- GC
- **Subsidiary Companies**

AB presented the draft Financial Statements of the College and of the subsidiary companies for review by the Committee. He referred Members to the Management Accounts presented throughout the year. The External Audit checks that the Financial Statements conform to the Management Accounts. The value is in the External Audit opinion on the College's controls and in relation to fraud.

Members reviewed the Statement of Internal Control.

RESOLVED: The Committee was satisfied that the draft Financial Statements were in line with the Management Accounts and had been externally verified.

The Committee approved the draft Financial Statements (including the Statement of Corporate Governance and Internal Control) for recommendation to the Board at the December Board meeting, subject to any minor revisions.

SL and AP left the meeting.

65/24 Internal Audit (C)

LT presented the internal audit progress report.

She informed Members that internal audits are on track for the year so far. The HR final report should have come to the meeting. The draft report has been issued but there has been a notification issue with new RSM portal. It will be presented to the March meeting.

Learner Number Systems will focus on student bursaries including cash payments made to learners. AB and LT will discuss further whether the report will focus on 16-18 only or will include adults.

RESOLVED: Members noted the Internal Audit Report.

66/24 Regularity Self-Assessment Questionnaire (C)

Members considered the Regularity Self-Assessment Questionnaire, which is submitted to the ESFA along with the Financial Statements and Internal Audit Annual Report. This had been completed by the Governance Professional/Clerk and Financial Controller with input from other members of staff and had been reviewed by the External Auditors.

JC pointed out the changes to the questionnaire from last year's template.

Members considered it a thorough piece of work and a useful document for new Members to demonstrate compliance and provide evidence of assurance.

RESOLVED: The Committee approved the RSAQ for recommendation to the Board for approval and submission to the ESFA.

67/24 Annual Accountability Report including Annual Review of Register of Interests and Register of Gifts and Hospitality (C)

The Committee considered the Annual Accountability Report for the financial year 2023/24 in the light of the Committee's responsibility to oversee the Corporation's policies on fraud, irregularity and whistleblowing under the Post 16 ACOP.

The report covered:

- Data Protection
- Whistleblowing
- Freedom of Information
- Anti-Bribery (Conflicts of Interest and Receipt of Gifts and Hospitality)
- Anti-Fraud and Corruption / Irregularity

No issues were identified.

A discussion took place regarding the number and nature of Subject Access Requests received. A Member asked how the College manages the process. MB explained that some were from students, some from staff. The Data Protection Officer is responsible for responding to SARs.

RESOLVED: The Committee noted the contents of the report, which were referred to in the Annual Audit Committee Report to the Board and in the Regularity Self-Assessment Questionnaire and which assisted the Committee in providing their assurance to the Board.

TD reviewed the Gifts and Hospitality Register and approved it.

68/24 Annual Procurement Report (including Exceptions) (C)

AB presented the annual report on the previous year's procurement activity.

Members were pleased to see where the College's money is being spent. It was noted that a significant amount is spent on awarding bodies.

RESOLVED: The Annual Procurement Report was noted and accepted.

69/24 Annual Insurances Report (C)

AB presented the annual report on the College/s insurances.

Members noted that, following ONS reclassification, colleges (and their subsidiaries) are now part of central government. They continue to be self-governing charities regulated by the Secretary of State for Education but are now subject to the framework for financial management set out in Managing Public Money (MPM). However, nothing has changed in relation to taking out commercial insurance so the College will continue with its current arrangements until it is instructed otherwise.

A Member asked when the College last made a claim and was informed that it last claimed during Covid-19 for business disruption.

Members discussed obtaining insurance against cyber-attacks. MB reported that this is difficult to obtain as there are so many exclusions.

RESOLVED: The Insurances Annual Report was noted and accepted.

70/24 Approval of Annual Report of Audit Committee to Board (C)

The Committee is required, under the Post 16 ACOP, to provide an Annual Report to the Board to summarise its activities during the year and provide the Board with its opinion on the adequacy and effectiveness of the College's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets.

JC invited Members to consider the draft Annual Report of the Audit Committee to the Board. It was noted that this needs to be sent to the ESFA by 31 December 2024.

The draft report considered the assurances provided to the Committee and the Board in the reports of the College's auditors.

Based on the work of the Committee during the period and the findings of the Internal and External Auditors and other regulatory bodies, the draft report confirmed that the Audit Committee believed that the Board's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets were adequate and effective.

Members considered the report a good paper setting out, in detail, the work of the Committee and thanked JC for her work on it.

AD would sign the report on behalf of the Committee, subject to the Board's approval in December.

RESOLVED: The Audit Committee Annual Report to the Board was approved for recommendation to the Board for approval and submission to the ESFA.

71/24 Risk Management Update (C)

AB presented the Risk Management Report and Review of the Strategic Risk Register. The changes to the Risk Register were noted.

Members reflected that most big risks emanate from government.

It was noted that the Risk Register determined the internal audit plan for the year, alongside the strategic and operating plans.

The College's Internal Audit service is required to provide an opinion on the adequacy and effectiveness of risk management and the College's system of internal control.

This was provided by RSM in its Annual Internal Audit Report 2023/24 presented to the last meeting, which stated that the College *has an adequate and effective framework for risk management, governance and internal control*.

The Annual Internal Audit Report opinion by RSM also states as follows:

This [risk management] has been considered in conjunction with our assessment of the risk mitigation procedures undertaken in the areas covered by the risk-based reviews completed as part of the 2023/24 internal audit plan.

For example, the review of Student Experience and Support Framework – Employability (6.23/24) considered controls related to the following risk: Student experience, progress and achievement.

Furthermore, our risk management opinion is also informed by our attendance at meetings of the Audit Committee. We note as we have in previous years that risk management continues to be a priority area for the College, with continually evolving processes to aid further embedding and oversight of the risk management process.

RESOLVED: Members noted the Risk Management Update and Risk Register.

72/24 Review of Audit Recommendations Register (C)

Members reviewed the Audit Recommendations Register (ARR) and received an update from AB as to the status of each item. One recommendation had been extended; the others were not due.

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

73/24 Management Update on Reportable Events

There had been no such events since the last meeting.

RESOLVED: The Update on Reportable Events was noted.

74/24 GC Zero Lessons Learned (C)

Members had been provided with a paper evaluating the GCZero project.

MB reported that it was a very complex project delivered in challenging circumstances during Covid-19 with unrealistic expectations on the part of the government. There were supply chain issues, the finances were challenging, and the College was a trailblazer with the organisations and advisors involved. Taking all of that into consideration, in terms of the big picture, he was pleased with the outcome.

The key take-away was that the College needs to build in a contingency in terms of overruns on time and costs because of the risk profile.

Overall, it was agreed that, despite the challenges, the project had been a success.

RESOLVED: The GC Zero Lessons Learned paper was noted.

75/24 Approval of Policies

- **Anti-Fraud and Corruption**
- **Anti-Bribery**
- **Receipt of Gifts and Hospitality**
- **Whistleblowing**

Members reviewed the above Accountability Policies.

RESOLVED: The policies were approved.

76/24 Key Items for GC Board

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

77/24 Any Other Business

None.

78/24 Date and Time of Next Meeting

12 March 2024 at 5.00pm, C126e Gloucester Campus.

MEMBERS ONLY ITEM (C)

79/24 External Auditors

- **Review of performance of External Auditors**
- **Appointment of External Auditors for next year**

Confidential Members Only minute.

Signed 

Date 27/3/25