Bradford College

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

HELD: on Thursday 29 February 2024 at 16.00 in 4F34

Present	In Attendance
Sharon West (Chair)	Richard Lewis (RSM)
Emmanuel Osei Boateng (via MS Teams)	Andrew McCulloch (TIAA) (Via MS Teams)
Taqi Ali	Chris Malish (VPF&CS)
Barbara Mangan	Marc Gillham (CIO)
	Allison Booth (Clerk)
	Rachel Henry (Assistant Clerk)

The quorum was two committee members

L/J   Denotes the time any individual left/ re-joined the meeting.

Item		Action/ Report Item
Closed session		
1.	**Members to meet with Auditors in the absence of management**	
1.1	A closed session took place between the Audit Committee members and the internal auditors, TIAA (Andrew McCulloch) and external auditors, RSM (Richard Lewis).	
1.2	Mr McCulloch informed members of the continued positive engagement with management on the internal audits which were progressing in line with the annual audit plan and were on track to be completed on time.	
1.3	Mr Lewis advised that despite the slow management responses to some audit queries which had delayed progress, the Audit Annual Report and Financial Statements 2022-23 had been presented at the Corporation meeting on 14 December 2023 and had been signed off on time.	
Open session		
2.	*J/CM & MG* **Introductions, Apologies for Absence and Disclosure of Interest**	
2.1	The Chair welcomed Barbara Mangan to her first Audit meeting and introductions were made.	
2.2	There were no apologies for absence.	
2.3	There were no disclosures of interest.	
3.	**Chair's action**	
3.1	There had been no use of Chair's actions since the last meeting.	

4.	**Minutes of the meeting held on 7 December 2023**	
4.1	**RESOLVED:** That the Minutes of 7 December 2023 be approved as an accurate record and signed by the Chair.	
5.	**Matters arising**	
5.1	The Matters Arising Report was reviewed and it was noted all items had been completed.	

Internal Audit Reports

6.	**Internal Audit Reports:**	
6.1	TIAA presented the Internal Audit Reports:	
6.2	<u>6.1 Safeguarding</u> • The Safeguarding report had an overall conclusion of SUBSTANTIAL assurance. • There was 1 recommendation, graded as routine. • There were 2 areas of good practice identified.	
6.3	**Q. Where are we with the 144 employees who hadn't completed the Safeguarding refresher training?** A. Areas of non-completion on mandatory training would be picked in Performance Reviews, which were currently being undertaken. The issue had been highlighted and the Director of People Services (DPS) would be able to provide more detail.	
6.4	**Q. Had the lapse in safeguarding training been a matter of weeks, months or years?** A. The DPS would be able to provide details on the outstanding safeguarding training data. TIAA would check the data provided.	**DPS/TIAA**
6.5	**ACTION:** The Clerk to liaise with the DPS to provide a more detailed update on Safeguarding refresher training at the next Audit Committee meeting.	**Clerk**
6.6	<u>6.2 HR Management</u> • The HR Management report had an overall conclusion of SUBSTANTIAL assurance. • There were 4 recommendations, all 4 were graded as routine. • There were 2 areas of good practice identified. Mr McCulloch informed the Committee that the three follow up recommendations made by the previous internal auditors remained	

	outstanding but had not been lost sight of. The Committee was advised that implementation was in progress but the original target date had not been met. The CIO advised that he would add the outstanding recommendations back on to the tracker so that they could be monitored by the Committee.	
6.7	**Q. Have the 35 outstanding PDR's been completed or rescheduled?** A. The majority of those who were yet to complete their PDR reviews had reasons for the delay, for example long-term sickness. However, there were some that had been identified without reasons for the delay, which the DPS would be able to provide a more detailed report on.	
6.8	**ACTION:** The Clerk to liaise with the DPS to provide a more detailed update on the outstanding PDR's at the next Audit Committee meeting.	**Clerk**
6.9	The Committee was informed that the recommendations relating to the new starters' induction programme, disciplinary outcomes and return to work forms had been implemented and these actions would be reviewed in the Internal Audit Recommendations Follow Up.	
6.10	<u>6.3 Key Financial Controls - Payroll, Expenses and Credit Cards</u> • The Key Financial Controls - Payroll, Expenses and Credit Cards report had an overall conclusion of SUBSTANTIAL assurance. • There were 2 recommendations, both graded as routine. • There was 1 area of good practice identified. TIAA informed the Committee that robust frameworks, processes and senior level checks were in place. The working hour discrepancies found were attributed to administration errors. Going forward, new starter forms would be fully and accurately completed before details were passed to HR.	
6.11	**Q. Regarding credit card transactions, how were the sampled purchases approved when there was a discrepancy between approval and statement costs?** A. Approval was routinely given in advance of buying. Discrepancies were attributed to the exclusion of postage and VAT costs as well as discounts being applied after the initial cost approval. Only two members of the Procurement Department had access to a credit card and purchases made by credit card were minimal.	
6.12	The Committee accepted the audit recommendations and management responses and agreed that the Internal Audit Reports would be shared with the Corporation.	

Audit Committee

6.13	**ACTION:** That the Internal Audit Reports be shared with the Corporation for information and assurance.	**Clerk**
6.14	Mr Lewis informed the Committee that following the reclassification of colleges, the new college financial handbook would be published on 31 March 2024, ahead of an effective date of August 2024. This would explain the actions colleges must take to comply with Managing Public Money and other public sector guidance.	
7.	**Internal Audit Recommendations: Follow Up (management)**	
7.1	The Chief Information Officer (CIO) provided an update on the outstanding Internal Audit Recommendations; clarifying that there were a number of actions outstanding.	
7.2	The CIO acknowledged the required amendment to the Internal Audit Recommendations: Follow-up report; noting that the 2 actions from 2019-20 and 1 from 2020-21 were to remain open, following the instruction of TIAA, found in 6.5 above. These fell under the responsibility of the DPS.	
7.3	**ACTION:** The DPS to finalise the 2019-20 and 2020-21 outstanding actions with TIAA so they could be closed on the follow up review.	**DPS**
7.4	There were 9 overdue actions from 2022-23, falling under the responsibility of the VPF&CS and the CIO; 8 of these actions were linked to the Cyber Security Maturity Assessment. The new Head of Department for Information Technology (HoD for IT) had been reviewing the department and had identified a number of issues in process and documentation which needed addressing. While these items did not currently increase the overall risk to the college, they were of a higher urgency than the actions identified in the Cyber Security Maturity Assessment, which was largely positive.

The Committee was informed that the new HoD for IT had since resigned and that the CIO and VPF&CS had met with the IT department for a performance review and had submitted a business case for an interim HoD. In consideration of the aforementioned points, the CIO requested that the deadline for these actions be extended to 30 June 2024.

It was agreed that the outstanding actions relating to the Cyber Security Maturity Assessment would remain open, with the deadline for completion being the end of June 2024. | |
| 7.5 | The one outstanding action linked to procurement related to supplier payment volumes and the regular monitoring of contract expiry dates. The VPF&CS requested an extension until 31 March 2024, citing the delay as a result of the interim Procurement Manager leaving and the volume of work | |

	required as a result of the current number of capital projects requiring procurement support.	
	It was agreed that the outstanding actions relating to Procurement remain open, with the deadline for completion being the end of 31 March 2024.	
7.6	Mr Lewis suggested that it would be useful to include RSM's comments in the Internal Audit Recommendations Follow Up Report to demonstrate that it had been thoroughly reviewed by all parties.	
7.7	The CIO requested an extension until 30 May 2024 on the date relating to Cyber Security Training. The College was developing a bespoke training package with the aim of ensuring training was relevant and personalised to College staff. The training package was in the process of being finalised with the view of rolling the training out after Easter.	
	It was agreed that the outstanding action relating to the Cyber Security Training would remain open, with the deadline for completion being 30 May 2024.	
7.8	**RESOLVED:** The Committee noted the report and approved the proposed revised delivery dates.	
Governance and Risk		
8.	**External Audit re-tender (oral update)**	
8.1	In line with the Corporation's Policy for the engagement of audit services, which required the retendering of the contract for external audit on a 5-yearly cycle, it had been agreed in June 2022 that the contract with RSM UK Audit LLP be extended for 24 months until 31 July 2024. The Committee discussed the timeline of the External Audit re-tender and agreed that RSM should complete their fifth and final year and that the College would then go out to re-tender in January 2025.	
8.2	**RECOMMENDATION:** That RSM complete their fifth and final year and that the College would then go out to re-tender in January 2025 be recommended to the Corporation for approval	
8.3	The VPF&CS asked if it was possible for RSM and TIAA to provide any comparative data relating to the closing down of audit actions, so that the Committee could compare the College's performance against other colleges in the sector, as this would enable the College to strengthen its Governance position.	
8.4	**ACTION:** RSM to provide comparative data between Bradford College and others in the sector, relating to the closing down of external audit actions.	**RSM**

8.5	**ACTION:** TIAA to provide comparative data between Bradford College and others in the sector, relating to the closing down of internal audit actions.	**TIAA**
9.	**Report on Whistleblowing, Fraud and Other Irregularities**	
9.1	The VPF&CS summarised the Report on Whistleblowing, Fraud and Other Irregularities.	
9.2	Since September, there had been no fraud or irregularities with regards to Finance or the College bank account. However, since the last report, a potential fraud/theft of College assets had been identified. Therefore, the fraud response plan had been instigated on 21 February 2024. Relevant information had been shared with TIAA and also with the CEO and the Chair of Audit Committee on the same day. The investigation was ongoing, with the College currently in a fact-finding position. The VPF&CS assured the Committee that any findings would follow the correct lines of reporting.	
9.3	There were currently eleven open insurance claims, which included one employer liability, four public liability and five property related and one theft related. The largest potential settlement value related to flooding in various buildings during October 2023. With regards to the claim against the College on asbestos exposure, this had been settled; an outstanding amount was still being disputed between the Council's insurers (MMI at the time) and the College's insurers (Zurich at the time). Legal advice had been taken by the College and a provision had been made within the College budget. In addition, a property claim for fire damage incurred in March 2022 had been settled.	
9.4	The VPF&CS assured the Committee that pro-active mitigation of cyber-attack took place through daily patching and regular upgrades to servers and there had been no wider reports of increased frequency of attempts.	
10.	**Strategic Risk Management**	
10.1	The Committee reviewed the strategic risks: **SR3** – had been briefly rated as green, this had returned to amber due to the risk of 'unknown unknowns' connected with the ongoing Capital Projects.	
10.2	**Q. Does the College have a risk appetite statement?** A. Risk Appetite is monitored and reviewed as part of our Risk Management Policy that is approved at the Audit Committee. Last year we had an audit on the Risk Management Framework which was rated as	

Audit Committee

	substantial. Refresher training for Governors on risk appetite is being planned.	
10.3	**SR2 –** The Chair informed the Committee of a request made by the Clerk on behalf of the Remuneration Committee to add the potential strategic risk as a result of a Senior Post Holder leaving the organisation and any prospective recruitment involved should be monitored.	
10.4	**ACTION:** The Clerk to liaise with the VPF&CS to ensure the requested data be added to the Risk Register.	**Clerk**
10.5	**ACTION:** That the potential strategic risk as a result of a Senior Post Holder leaving the organisation and any prospective recruitment involved be added to the risk register under SR2.	**Clerk**
10.6	**RECOMMENDATION:** That the changes to the risk be proposed to the Corporation for approval and inclusion on the Strategic Risk Register.	
Policies		
11.	None	
Any other business		
12.	<u>**Items for report to the Corporation**</u>	
12.1	• Draft Meeting minutes of 29 February 2024. • Internal Audit Reports- for information • RSM/External Audit Re-tender timescales – for approval • Risk register update – for recommendation	
13.	<u>**Any other business**</u>	
13.1	The next Audit Committee Meeting would take place on 16 May 2024.	
13.2	There was no other business.	
13.3	The meeting closed at 17:00.	
14.	<u>**Meeting Evaluation**</u>	**Assistant Clerk**
14.1	To be circulated by the Assistant Clerk.	

Approved by the Committee:

S. West   **16.05.24**

Signed by the Chair   Date

Audit Committee

Agreed actions

No	Minute	Action	Who?
1	6.4	The DPS to provide details on the outstanding safeguarding training data. TIAA to check the data provided.	DPS/TIAA
2	6.5	The Clerk to liaise with the DPS to provide a more detailed update on Safeguarding refresher training at the next Audit Committee meeting.	Clerk
3	6.8	The Clerk to liaise with the DPS to provide a more detailed update on the outstanding PDR's at the next Audit Committee meeting.	Clerk
4	6.13	That the Internal Audit Reports be shared with the Corporation for information and assurance.	Clerk
5	7.3	The DPS to finalise the 2019-20 and 2020-21 outstanding actions with TIAA so they could be closed on the follow up review.	DPS
6	8.4	RSM to provide comparative data between Bradford College and others in the sector, relating to the closing down of external audit actions.	RSM
7	8.5	TIAA to provide comparative data between Bradford College and others in the sector, relating to the closing down of internal audit actions.	TIAA
8	10.4	The Clerk to liaise with the VPF&CS to ensure the requested data be added to the Risk Register.	Clerk
9	10.5	That the potential strategic risk as a result of a Senior Post Holder leaving the organisation and any prospective recruitment involved be added to the risk register under SR2.	Clerk
10	14.1	Meeting Evaluation to be circulated by the Assistant Clerk.	Assistant Clerk

Audit Committee