

## MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

HELD: on Thursday 5 September at 16:00 in 4F07 DHB Boardroom

Present	In attendance
Sharon West (Chair)	Tausif Taj (TIAA) (via MS Teams)
Emmanuel Osei Boateng (via MS Teams)	Marc Gillham (CIO)
Barbara Mangan	Sarah Cooper (DPS)
Tony Bullock	Allison Booth (Clerk)
Gavin Hamilton	Rachel Henry (Assistant Clerk)
Apologies	
Richard Lewis (RSM)	
Chris Malish (VPF&CS)	

The quorum was two committee members

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

Item		Action/ Report Item
<b>Closed session</b>		
<b>1.</b>	<b><u>Members to meet with Auditors in the absence of management</u></b>	
1.1	A closed session took place between the Audit Committee members and the internal auditors, TIAA (Tausif Taj).	
1.2	Mr Taj advised that there had been some delay in the completion of two internal audits, the reports for these had now been issued and would be available within the next 10 days. The Follow Up Audit for 2023-24 had also been delayed and was currently in the process of being completed. It was noted there was positive engagement with management, who had been supportive and demonstrated good technical knowledge.	
<b>Open session</b>		
<b>2.</b>	<b><u>Introductions, Apologies for Absence and Disclosure of Interest</u></b>	
2.1	The Chair welcomed everyone to the meeting and introductions were made.	
2.2	Apologies for absence were received from Richard Lewis and the Vice Principal Finance and Corporate Services.	
2.3	There were no declarations of interest.	
<b>3.</b>	<b><u>Chair's action</u></b>	
3.1	There had been no use of Chair's action since the last meeting.	

<p>4.</p> <p>4.1</p>	<p><b><u>Minutes of the meeting held on 16 May 2024</u></b></p> <p><b>RESOLVED:</b> That the Minutes of 16 May 2024 be approved as an accurate record and signed by the Chair.</p>	
<p>5.</p> <p>5.1</p>	<p><b><u>Matters arising</u></b></p> <p>The Matters Arising Report was reviewed. The Chair noted that all actions looked to be on target, with outstanding actions having timescales allocated for completion.</p>	
<p>6.</p> <p>6.1</p>	<p><i>J/MG, SC</i></p> <p><b><u>Key Audit Topics</u></b></p> <p>For the benefit of newer members, the Chief Information Officer (CIO) provided an overview of the College’s approach to Audit, the Internal and External Audit cycles of business and details on key areas of risk. Members were advised that a live tracker was used to monitor outstanding audit actions.</p>	
<p><b>Internal Audit</b></p>		
<p>7.</p> <p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p>	<p><b><u>Internal Audit Recommendations: Follow Up (management)</u></b></p> <p>The CIO provided an update on the outstanding Internal Audit Recommendations. The Committee noted that good progress had been made.</p> <p>All outstanding actions had been completed for 2019-20, following the production of Succession Planning Policies and Procedures.</p> <p>There remained one overdue action in 2020-21 relating to the production of AWAM Policy and Procedures. Both the Policy and Procedures had been approved by SLT however, further approval stages were needed. The updated Academic Workload Allocation Model (AWAM) Terms and Conditions and Staff Utilisation Group Terms of Reference had been through an ongoing period of negotiations with the Trade Union, who had requested an extension to their final agreement. Due to these necessitating a contractual change, the finalised Terms and Conditions would be presented to the Finance and General Purposes Committee on 10 October 2024, for recommendation to the Corporation on 17 October 2024.</p> <p><b>Q. Is this a new contract?</b></p> <p>A. No, there was an existing AWAM model in place, however a number of changes were deemed necessary, including updates to terminology. A new model had therefore been designed in consultation with the Trade Unions which it was hoped would create a simplified, more user-friendly system,</p>	

	prioritising a balanced workload for staff and supporting health and wellbeing.	
7.5	30 audit actions had been completed for 2022-23, including the final actions from the Procurement Audit and all but two actions from the Cyber Security Maturity Assessment. The 2 outstanding actions were linked and related to Cyber Security and the Procurement processes; falling under the responsibility of the CIO. Work was ongoing in this area with existing contracts currently under review, now that the interim Head of Department of IT was in post. Once reviewed, a schedule would be created for periodic contractual reviews going forward. In consideration of the aforementioned points, the CIO requested the deadline for these actions to be extended to December 2024.	
7.4	It was agreed that the 2 outstanding actions relating to Cyber Security Maturity Assessment would remain open, with the deadline for completion being December 2024.	
7.5	<b>Q. Will the College have any exposure from not having completed the actions relating to Cyber Security?</b> A. There has been no exposure and no issues uncovered. The actions related to tightening up of existing processes, to give further confidence of minimisation of risk.	
7.6	From 2023-24, there were 15 completed actions, 1 rejected action and 3 actions not yet due. The 3 outstanding actions related to the Governance Strategic Control Audit and would be reportable at the next meeting.  2 Audit reports from 2023-24 remained outstanding – those of Health & Safety and Performance Management. The audits were both significantly delayed at the request of TIAA, but had now been completed. The draft reports had been received by the College, the management responses for Performance Management had been returned and those for Health & Safety were due to be sent imminently and within the 10 day returns window. Both Audit reports would be available at the next Committee meeting.	
7.7	<b>RESOLVED:</b> The Committee noted the report and approved the proposed revised delivery dates.	
<b>External Audit</b>		
<b>8.</b>	<b><u>External Audit Progress Update (Oral)</u></b>	
8.1	The Chair had previously met with Mr Lewis in August and had agreed to provide the following oral update of the External Audit Progress to the Committee in his absence.	

	<ul style="list-style-type: none"> <li>• Work on the external audit was about to embark and RSM would be working closely with management.</li> <li>• RSM would be delivering Risk Appetite training to the Corporation on 12 September.</li> <li>• The potential of RSM delivering follow up training at the Strategic Planning Event in 2025 had been discussed.</li> <li>• RSM were due to provide training on the role of the Audit Committee; this was likely to be delivered online, details to be confirmed and circulated by the Clerk.</li> <li>• A webinar on financial reporting would soon be available.</li> <li>• A briefing on Risk Radar would be provided, which related to horizon scanning.</li> </ul> <p>The CIO advised that promising progress within the finance, data funding and audit teams was being made and that the closing of funding returns and end of year accounts was on track.</p>	
<p><b>9.</b></p> <p>9.1</p> <p>9.2</p> <p>9.3</p> <p>9.4</p> <p>9.5</p>	<p><b><u>Regularity Self-Assessment Questionnaire</u></b></p> <p>The CIO provided an overview of the Regulatory Self-Assessment Questionnaire.</p> <p><b>Q. Do we need to clarify the section on special payments, including severance, compensation and ex gratia payments in light of the DfE’s letter of response to the College’s request for retrospective consent for three special severance payments?</b></p> <p>A. The CIO will consult with the VPF&amp;CS and provide feedback.</p> <p><b>Q. In the College’s response to the DfE, it was stated that all relevant financial controls are now in place. What was previously missing and how has this been rectified?</b></p> <p>A. Financial controls were already in place, however, the changes around Managing Public Money and the release of the College Financial Handbook led to some ambiguity concerning non-contractual payments, PILON and settlement agreements.</p> <p>The Chair noted a number of inconsistencies within the document and asked that these be corrected before the RSAQ was submitted to the Corporation for approval. The CIO advised that he would feed this back to the VPF&amp;CS.</p> <p><b>RECOMMENDATION:</b> That subject to the correction of the inconsistencies, the completed Regularity Self- Assessment Questionnaire be recommended</p>	

	to the Corporation for approval and subsequent signature by the Chair and Accounting Officer.	
<b>Governance and Risk</b>		
<b>10.</b>	<b><u>Report on Whistleblowing, Fraud and Other Irregularities</u></b>	
10.1	<p>The CIO summarised the Report on Whistleblowing, Fraud and Other Irregularities.</p> <p>There had been no whistleblowing claims since the last report.</p> <p>Since February there had been no fraud or irregularities with regard to Finance or the College bank account. However, there were six anomalous transactions on the College credit card between 14 and 19 August totalling £807.61. Lloyds had notified the College of the transactions since they did not fit with the College profile or process of credit card transactions. Two of the transactions were immediately declined, the card provided was immediately cancelled and the other funds were recovered.</p> <p>There had been one irregularity since the last report, with the College becoming aware of a registered company called Bradford College Limited based in Loughborough, following contact from students with alleged Bradford College certificates. Legal advice had been sought, which indicated that the irregularity amounted to ‘passing off’. The next course of action would be to formulate a letter to Bradford College Limited to request a change of name. Further investigation would be done to understand the link between these Bradford College certificates and Bradford College Limited due to the reputational risk posed. An update would be provided at the next meeting.</p> <p>The Committee noted the current position regarding the four open insurance claims.</p> <p>Pro-active mitigation of cyber-attack continued to take place through daily patching and regular upgrades to servers and there had been no wider reports of increased frequency of attempts.</p>	
<b>11.</b>	<b><u>Strategic Risk Management</u></b>	
11.1	The Committee reviewed the Strategic Risk Register. It was noted there had been no changes since the report was last presented at the July Corporation. SLT would be reviewing the risks across all Committees, with a focus on the impact of the change in government and wider economic situation of government funding.	
11.2	<b>Q. Why was Cyber Essentials accreditation permitted to lapse?</b>	

11.3	<p>A. Cyber Essentials was not a static accreditation and its requirements changed over time. When the requirement to introduce multi-factor authentication for students was introduced, Bradford College did not seek to renew the Cyber Essentials Plus accreditation held. This was due to concerns over the accessibility of electronic devices for Bradford College students and how necessitating multi-factor authentication could consequently present barriers to learning. As it is now mandatory for colleges to obtain Cyber Essentials, a plan had been developed to gain reaccreditation and support students through the necessary changes. Any associated costs would relate to the implementation of requirements such as multi-factor authentication. There were three awarding organisations for Cyber Essentials and careful consideration was being given to which would be a best fit for Bradford College.</p> <p><b>Q. Is there any benefit to gaining Cyber Essentials accreditation with regards to insurance?</b></p> <p>A. There are no known benefits in terms of insurance, however Cyber Essentials was a nationally recognised, Government supported accreditation and therefore was of benefit when linking with stakeholders.</p>	
12.1 12.2 12.3	<p><b>12. <u>Annual Risk Management Report</u></b></p> <p>12.1 The CIO presented the Annual Risk Management Report, which apprised the Committee of the risk management activity across the organisation during 2023-24.</p> <p>12.2 The strategic risks and their scores had been deemed to be in an overall static position, as many of the same environmental factors remained. However, more movement was anticipated in the coming academic year due to factors such as the new Government in place and its subsequent policy decisions, in addition to potential changes in Government funding and the possible resulting impact on the College's funding and income streams.</p> <p>12.3 The Committee noted the Annual Risk Management Report.</p>	
<b>Policies and Statements</b>		
13.1 13.2 13.3	<p><b>13.1 <u>Procedure for the Retention of Financial Documents &amp; Records</u></b></p> <p>13.1 The CIO advised that the Procedure for the Retention of Financial Documents &amp; Records had been reviewed to ensure it was in line with statutory requirements and reflected the latest job titles within the College.</p> <p>13.2 <b>RESOLVED:</b> To approve the Procedure for the Retention of Financial Documents &amp; Records.</p> <p><b>13.2 <u>Asset Management Policy</u></b></p>	

13.4	The Asset Management Policy had been updated to highlight the change in the capitalisation threshold of assets in excess of £1,500 to align with the Financial Regulations.  <b>RECOMMENDATION:</b> That the Asset Management Policy be recommended to the Corporation for approval.	
13.5	<b>13.3 <u>Policy for the Engagement of Audit Services</u></b>  The Policy for the Engagement of Audit Services had been reviewed and updated to reflect the revised Financial Reporting Council’s Ethical Standard, effective from December 2024.	
13.6	<b>RESOLVED:</b> To approve the Policy for the Engagement of Audit Services.	
<b>Any other business</b>		
<b>14.</b>	<b><u>Items for report to the Corporation</u></b>	
14.1	<ul style="list-style-type: none"> <li>• Minutes of meeting – 5 September 2024</li> <li>• RSAQ -for approval and signature</li> <li>• Asset Management Policy</li> </ul>	
<b>15.</b>	<b><u>Any other business</u></b>	
15.1	It was the last Audit meeting for Emmanuel Osei Boateng, as his term of office was coming to an end. The Chair thanked Emmanuel for his contribution as an Audit Committee member and wished him well for the future.	
15.2	There was no other business.	
15.3	The Chair closed the meeting at 16:55.	
<b>16.</b>	<b><u>Meeting Evaluation</u></b>	
16.1	To be circulated by the Assistant Clerk.	<b>Assistant Clerk</b>

Approved by the Committee:

.....**S.West**.....  
Signed by the Chair

.....**05.12.24**.....  
Date

**Agreed actions**

<b>No</b>	<b>Minute</b>	<b>Action</b>	<b>Who?</b>
1	16.1	Meeting Evaluation to be circulated by the Assistant Clerk	Assistant Clerk