



**Meeting of the Audit Committee**

**Tuesday 12 November 2024 – 4pm to 5.45pm - Main Minutes**

**Boardroom**

<b>Governors</b>	<b>Type</b>	<b>Initials</b>	<b>Attendance</b>	<b>Apologies</b>
Maria Craig	Chair - Independent Governor	MC	X^	
Eamonn Toland	Independent Governor	ET	X	
Aneela Ali	Independent Governor	AA	X*	
Jennifer Boyle	Co-opted Governor	JB	X	
<b>Clerk</b>				
Nicola Taylor	Director of Governance & Compliance	NT	X	
<b>Attendees</b>				
Jeremy Cook	Deputy Principal: Finance & Resources	JC	X	
Vicki Casey	Director of People and OD	VC	X^	
David Keetley	Financial Controller	DK	X	
David Hoose	Forvis Mazars LLP – External Auditor	DH	X*^	
Audrey Cowan	WBG – Internal Auditor	AC	X*^	

\*Attended via Teams / ^Attended for part of the meeting.

**A/897 1. Chair's welcome, apologies, conflicts of interest**

The Chair welcomed the attendees.

There were no apologies to report, and it was **confirmed** that the meeting was quorate.

All attendees were invited to declare any relevant interests, other than those previously noted. There were no further declarations made.

**A/898 2. Minutes of the Last Meeting – 14 June 2024**

- A) The Committee **reviewed** the minutes from the previous meeting and **agreed** that they were a true and accurate account of the meeting.

***The minutes were approved.***

### A/899 3. Matters Arising / Action Log

#### A) Action Log

The report was presented, and it was noted 5 actions remained as ongoing. All other actions had been marked as closed or complete.

The Committee **requested** for completion dates to be added to actions not yet complete.

**Action: NT to add action completion timescales where possible - by next meeting (March 2025)**

The Committee **queried** the closed action relating to exploring the risk appetite with other colleges in terms of benchmarking and **requested the internal auditor** to provide insight as to risk appetite across their other college clients.

**Action: WBG to consider Gateshead College's risk appetite along with other colleges for benchmarking purposes (and WBG to confirm reasoning behind comparator organisations to ensure like for like benchmarking) - by next meeting (March 2025)**

#### B) Notifications and Disclosures

There were no notifications or disclosures to report.

***The report was noted.***

### A/900 4. Internal Audit

#### 4.1 Internal Audit Annual Report 2023/24

AC presented the report, highlighted this resulted in a clean opinion.

The Committee **noted** the level of assurance the report provided, with all internal audits across the year being graded as strong assurance with no medium or highly rated recommendations. This evidenced a good level of control across the year.

The Committee **agreed** this was a positive position and was received alongside a positive report relating to wider college audits (item 7.3).

The Committee **considered** if there were likely to be any areas which wouldn't receive strong assurance and wondered how these areas would be identified. AC noted the Internal Audit plan was considered in line with the College Strategic Risk Register to ensure coverage of high-risk items or any areas suggested by the Audit Committee. AC provided reassurance that management weren't able to solely set the direction of the plan. It was confirmed that the Internal Auditors would use insight from their client base around any potential areas of risk or where practices could be improved.

The Committee **noted their thanks** to the Internal Auditors for their reports.

***The report was noted.***

#### 4.2 Internal Audit Reports

AC presented the internal audit reports for the reviews of Risk Management and Health and Safety.

##### Risk Management

The Committee **discussed and queried** the following:

- The proposed changes to the Risk Management Policy (included under Item 5) and whether this would likely negatively impact the level of assurance of the Risk Management Internal Audit. AC confirmed that only the current Risk Management Policy was reviewed, and not the revised version presented as part of this meeting. NT noted that she had checked the removal of the requirement for the Board to approve the addition / removal of risks from the Strategic Risk Register with WBG in advance, however could not comment on the remainder of the changes.

#### Health & Safety

The Committee **discussed and queried** the following:

- Hazard observations and further actions – VC noted this had been followed up and provided reassurance that actions had been implemented however this hadn't been recorded anywhere. AC confirmed this was why the comment was made as an observation rather than recommendation within the report. The Audit Committee **agreed** it would be helpful to identify what actions had been implemented to provide mitigation of these hazards in future.

**Action: VC to report back to the Audit Committee regarding what mitigations had been implemented relating to the high hazard observations within the H&S IA report to provide assurance that these have been mitigated - by next meeting (March 2025).**

- Prior awareness of the low-grade recommendation – VC noted that the previous recording system regarding internal health and audits was manual and a human error had been made. The Health and Safety team were in the process of implementing an electronic system which would reduce human error and improve reporting. The team were scheduled to consider better follow up processes whilst the recording remained manual.

The Committee **queried** the outputs from the reviews and **asked the internal auditors** if they considered the level of assurance from these reviews as part of their audit.

**Action: VC to report back to the Audit Committee on the level of assurance provided at the H&S (internal) audit reviews - by next meeting (March 2025).**

**Action: WBG to confirm if the level of assurance of internal H&S audits were considered as part of the Internal Audit of this area - by next meeting (March 2025).**

*The reports were noted.*

#### **4.3 Rolling Audit Recommendations Tracker**

JC presented the report, highlighting that 14 actions were complete and 3 ongoing. WBG had been asked to validate this completion during their next assignment. This would be reported back to the Audit Committee at the next meeting.

**Action: JC / WBG to provide an update of validated closed actions - by next meeting (March 2025).**

The Committee **discussed and queried** the following:

- The current status of the recommendation relating to live chat, noting that this recommendation was from February 2024 – JC noted that the action hadn't

been completed within the original timescale due to the team's efforts being spent on supporting additional learner numbers however would follow this up.

**Action: JC to follow up with DH regarding the ongoing live chat audit action to ensure this is being progressed - by next meeting (March 2025).**

In relation to the live chat system, using their own experience as an example, the Committee queried the GDPR compliance of the system.

**Action: JC to check with DH regarding any data sharing to ensure the appropriate controls are in place - by next meeting (March 2025)**

- The current status of the recommendation relating to procurement from May 2022 and whether the current work around was effective – DK noted that the work around currently in place was a manual task and the recommendation formed part of a bigger project relating to the finance system moving to a cloud-based system which was due to be completed by Easter 2025. DK noted that the action was still worth pursuing once the system was cloud based and so the Committee agreed for the recommendation to remain on the tracker.

***The report was noted.***

*VC left the meeting.*

## **A/901 5. Risk Management**

### **5.1 Strategic Progress Reporting Update – Risk Management**

JC presented the report, noting this provided an annual update on the risk management framework.

The Committee requested for future reporting to show the changes in the risk scoring over time, rather than the score at the beginning and end of the year, to allow the Committee to see changes in-year.

**Action: JC to include a graph over time to showcase any changes in risk scoring across the academic year rather than the start and end position in the future annual report - by next report (November 2025).**

The Committee sought further understanding of where risk scores hadn't changed across the year, and what further work was to be done to allow risk scores to be reduced, ensuring mitigations were having an impact. JC noted that the majority of risks were to be "tolerated" and this meant that the mitigating actions would continue.

**Action: JC to add additional narrative to the risk score changes over time in future annual reporting to provide the Committee with a better understanding of if risk scores have changed due to mitigations, a change in the landscape, a risk event etc - by next report (November 2025).**

The Audit Committee noted the progress made to date, agreed the proposed strategic priorities for 2024/2025.

#### Risk Management Policy

JC presented the updated Risk Management Policy, noting that proposed changes were set out within the report. One of the main changes removed the joining up of the risk categories and appetites, suggesting that this would be instead solely included within the risk register to allow fluidity in-year without the need to update the policy. The appetite would be considered by the Executive Team, with

changes recommended through the Audit Committee and approved through Board.

The Committee **applauded** the wish to review the risk appetite more regularly and **sought assurance** that the Board would continue to approve this. The Committee **suggested** they would feel uncomfortable to remove the joined up categories and appetites from the policy as felt this would weaken transparency and therefore **suggested** that this was included within an appendix to the policy which could be updated as and when reviewed.

**Action: JC to include an annex of the joined-up categories of risk and the appetite to the Risk Management Policy, once approved - this is instead of including within the main policy, however still ensures the appetites are accessible - by next meeting (March 2025 or earlier).**

The Committee **sought greater understanding** of the meaning of the categories, **requesting** category definitions. JC confirmed this would be picked up as part of the Executive Team review of risk appetite which would be brought back to the March 2025 meeting.

**Action: JC to ensure risk categories are given some additional narrative to provide a greater understanding of their meaning - by next meeting (March 2025 or earlier).**

The Committee **queried** the wording of some of the strategic risks, suggesting that the risks should relate more to the detriment of students / staff / the community, and less about compliance.

**Action: JC and ET to consider wording of the strategic risks at their discussion - by next meeting (March 2025 or earlier).**

On the basis that risk appetite was to be further reviewed, the Committee **recommended** the extension of the current Risk Management Policy with a revised review date of April 2025, noting that they would be happy for the policy to be circulated electronically between meetings if ready earlier than the March 2025 meeting.

**Action: NT to seek Board approval of the extension to the current Risk Management Policy – by December 2024 Board meeting.**

**Action: JC to ensure ET discussion regarding risk appetite takes place ahead of Jan 2025 to allow the policy to be further reviewed - by next meeting (March 2025 or earlier).**

***The report was noted.***

## **5.2 Strategic Risk Register**

JC presented the report, noting that following the October 2024 Board Meeting, the wording for the new risks (R17 and R18) had been updated to reflect the comments of the Board.

Following the previous item's discussion, the Audit Committee were not recommending the proposed appetites at this point, and instead were awaiting the Executive Team review.

The Committee **discussed and queried** the following:

- The updated position regarding the Gateshead International Stadium – JC confirmed that the Council had completed their procurement exercise and the outcome of this was expected to be made public at any point. The Council

were working with the College to ensure a smooth transition. The College had originally considered the risk in terms of a negative impact on learner numbers due to the potential uncertainty however the College had seen growth in the area of Sport for 2024/2025.

*Covered under a confidential minute.*

- The impact of additional learner numbers and this being a real risk event rather than something to consider as part of horizon scanning. JC noted that conversations regarding learner numbers had taken place at Finance & General Purposes, Curriculum & Quality Standards and People Committee meetings.
- The majority of strategic risks linking with strategic priority 4, and whether there were any additional risks to be considered relating to the College's strategic priorities.

**Action: JC to consider the links between risks and the strategic priorities, and to consider whether there are any additional risks to be added - by next meeting (March 2025 or earlier).**

- The separation between treatment of risks and controls.

***The report was noted.***

### **5.3 Assurance Mapping Framework**

NT presented the report, noted that this would remain a live document, and asked the Audit Committee how often they would like to see the assurance map going forward.

It was highlighted that some cells had been hidden on the document.

**Action: NT to re-share the document – by November 2024.**

The Committee **noted** this was an excellent piece of work which provided a great level of assurance.

The Committee **suggested** a further review to ensure the assurance aligns with the mitigations and controls included within the risk register.

**Action: NT to re-review the document, ensuring alignment between the controls and mitigations on the risk register and the measures of defence included within the Assurance Map.**

The Committee **agreed** they would like to see the Assurance Map at each meeting.

**Action: NT to include Assurance Map at each meeting - by next meeting (March 2025).**

The Committee **discussed and queried** the following:

- The retaining of evidence relating to the assurance set out within the document - NT confirmed that she didn't personally check or track evidence however this would be tested through audit processes.
- The lack of third line of defence relating to IT infrastructure, although noting that future indicative audits may address this.

- The future proofing against those potential risks on the Horizon Scanning element of the Risk Register and whether these could be included within the Assurance Map.

**Action: NT to work with colleagues to include horizon risks as part of the assurance map to provide assurance that work is being undertaken to address these potential future risks - by next meeting (March 2025).**

***The Audit Committee noted the report.***

## **A/902 6. Anti Bribery Policy**

JC presented the revised policy for recommendation for Board approval.

The Committee noted that the policy set out that *any suspected bribery should be reported as soon as possible in accordance with the College's procedures for reporting fraud set out in the Fraud and Corruption Statement in the Financial Regulations or the Whistleblowing and Disclosure Policy* however **suggested** that the mechanisms for reporting should be included within the Anti-Bribery Policy to make this more accessible.

**Action: JC to include steps of notification within policy (rather than references to other policies) - making it easier and accessible - by December 2024 Board meeting.**

The Committee **suggested** that there should be an alternative route to reporting to the Anti-Bribery and Corruption Officer.

**Action: JC to include the contact details of others when it's not appropriate to contact the Anti-Bribery and Corruption Officer - by December 2024 Board meeting.**

**Action: NT to ensure the Chair of the Audit Committee can access the Gateshead College email account - by December 2024 Board meeting.**

The Committee **queried** the proposed addition to the policy, setting out this didn't form part of contractual terms and conditions. JC confirmed he would seek clarity on this with the Head of People and OD.

**Action: JC to seek clarity on the policy not forming part of an employee's contractual terms and conditions - by December 2024 Board meeting.**

The Committee **sought clarity** on how they would be notified of any reports, and it was confirmed this would be brought the Committee's attention as per the policy but also under the notifications and disclosures item contained within each meeting agenda.

The Committee **recommended** the Anti-Bribery Policy for Board approval, subject to the suggestions discussed.

**Action: NT to seek Board approval of the Anti-Bribery Policy subject to JC's actioned additions – by December 2024 Board meeting.**

***The policy was recommended.***

## **A/903 7. Financial Statements and Annual Accounts**

### **7.1 Update on Preparation and Progress on 2023/24 Financial Statements**

JC provided a verbal update and highlighted that the External Audit was progressing well with no material issues or concerns emerging. DH reiterated that the audit was progressing as planned.

***The update was noted.***

### **7.2 Draft: Audit Regularity Self-Assessment Questionnaire**

JC presented the report, noting this was a working draft and currently with the External Auditors for review. A finalised version would be presented at the Joint Audit and Finance & General Purposes Committee on 25 November 2024.

***The report was noted.***

### **7.3 Annual Update on Wider College Audits 2023/24**

JC presented the report.

The Committee **noted** that this provided supplementary information to support strong assurance of internal audit reporting.

The Committee **suggested** for wider college audits to be included within the external assurance of the Assurance Map.

**Action: NT to include any audits within the external assurance map - by next meeting (March 2025).**

The Committee **requested** for any actions arising from wider college audits to be captured within the rolling audit recommendation tracker going forward.

**Action: JC to include any actions arising from wider audits within the rolling audit log - by next meeting (March 2025)**

***The report was noted.***

### **7.4 Information Governance Annual Report 2023/24**

NT presented the report.

The Committee **queried** the impact on time and resource – NT noted that additional support from a current staff member was hoped to be confirmed in the coming weeks.

The Committee **sought assurance** that all responses to Subject Access and Freedom of Information requests were responded to within the specific timescales, NT confirmed they were.

The Committee **queried with the Internal Auditors** if the policies referenced within the report compared favourably with those of other colleges.

**Action: WBG to advise if Information Governance Policies referenced within the report compared favourably with referenced policies of other colleges - by next meeting (March 2025).**

***The report was noted.***



## **7.5 Board Declarations of Interest**

NT presented the report, noting that this had been shared with the Governance Committee in prior years, however was now being shared at Audit Committee to allow the Committee and auditors to consider any related third party transactions.

NT noted that the College's Conflicts of Interest Policy was to declare any confirmed, likely and / or perceived conflicts of those being asked to declare, plus their connected persons. This was in line with the ESFA guidance, however caution was noted that this made it difficult to confirm related third party transactions if not all interests were known. The External Auditor agreed that all interests were preferred, however this was over and above the guidance. The Committee **queried** how this would be enforced. The Committee **suggested** for the Conflicts of Interest Policy to suggest that if there was doubt, then there was a recommendation to declare. The Committee **agreed** they were comfortable with the current policy of declaring confirmed, likely and / or perceived conflicts.

**Action: NT to check wording of Conflicts of Interest Policy regarding declaring interests if there was any doubt regarding conflicts - by next meeting (March 2025).**

*The report was noted.*

## **A/904 8. Audit Committee Annual Review**

### **8.1 Audit Committee Self-Evaluation**

NT presented the report, noting that this had been drafted with AA, as the previous Chair of Audit Committee, and MC, as the newly appointed Chair of Audit Committee. Once the responses had been completed, this was then shared with all remaining Audit Committee members for further comment.

The Committee **noted** this was a very thorough piece of work which provided a good level of assurance.

The Committee **approved** the Audit Committee Self-Evaluation for 2023/2024.

*The report was approved.*

### **8.2 Draft Audit Committee Annual Report 2023/24**

NT presented the report, noting that the Committee were asked to provide any additional comments by 15 November 2024. The report would then be shared at the Joint Audit and Finance & General Purposes Committee for approval, ahead of being shared at the December 2024 Board meeting.

NT confirmed a finalised version would be circulated following the completion of the External Audit.

*The report was noted.*

## **A/905 9. Audit Committee Terms of Reference and Work Plan 2024/25**

NT presented the report, noting that an additional revision had been approved by the Board in November 2024 relating to the Audit Committee's role in the strategic oversight of the adequacy and effectiveness of the Corporation's assurance arrangements, framework, and governance, including its risk management and

control processes, in relation to the Joint Audit and Finance & General Purposes Committee.

This document was a standing item to remind the Committee of their remit and planned upcoming agenda items.

As per the Terms of Reference, the Committee **approved the appointment** of AA as the Committee's Vice Chair.

***The report was noted.***

*MC left the meeting. AA took over as Chair.*

**A/906 10. Internal and External Audit Tender Process 2024/25**

*DH and AC left the meeting.*

JC presented the report and noted that the tender exercise for both internal and external auditors would take place using an appropriate procurement framework specific for education providers. This framework was due to expire on 4 December 2024, with a new framework expected to be in place on 5 December 2024. The new framework would not be available until this date and therefore the potential list of those invited to tender may change.

The intention was for the process to begin in December 2024, with the process due to be completed with Board approval in April 2025.

The Committee **agreed** this seemed a robust and clear process.

It was agreed JC would discuss the process with the Chair of the Audit Committee and then seek additional committee member engagement. The Committee **requested** advance notice of dates / times once known.

**Action: JC to discuss the process with the Chair of the Audit Committee and then seek additional committee member engagement. JC to circulate dates / times to governors as soon as possible.**

***The report was noted.***

**A/907 11. Any Other Business**

The Committee **thanked** report authors for the work undertaken.

**A/908 12. Date of the next meeting**

The date of the next meeting was confirmed as Monday 25 November 2024 which would be a joint meeting the Finance and General Purposes Committee. There is a further Audit Committee meeting scheduled for Tuesday 14 March 2025 at 4.00pm.