

Minutes of the Audit Committee meeting held on 6th October 2022 at 3pm

Present Keith Pearson (Chair), Jim Harris, Chelsea Senior (in person) and Mike Stopper (via MS Teams)

In Attendance Dan Humphrey (Clerk to the Corporation), Maria Turnbull-Kemp (Group Finance VP), Adrian Clarke (Group Director Corporate Services), Nathan Michael (Group VP Quality) (all in person), Andrew McCulloch (TIAA; via MS Teams).

1 Apologies for absence

Apologies received from Peter De Braal.

2 Declarations of Interest

Keith Pearson (KP) declared in the interests of transparency that as a previous Finance Director, who left the Partnership's employment over 5 years ago, he may be perceived to have a conflict in relation to previous decisions made. He clarified that of the risks listed that he would not get involved in any discussion regarding TEC13, and would leave the room if that matter was discussed. He also stated that it is 5 and a half years since his employment.

Chelsea Senior (CS) declared that her previous employment with TEC Partnership, 2 years ago, means that she may be perceived as having an interest in risk TEC 1 and she would not participate in any discussion of that item and would leave the room if it were discussed.

A general discussion about the Conflicts of Interests policy and when to declare interests took place. Members were reminded to declare any interests as and when they arise.

3 Minutes of the meeting 29th June 2022

3.1 An in depth discussion took place of the various action points and it was noted that some of these were evidenced by items on today's agenda, and the the Clerk and Chair had liaised regarding others. The Financial Regulations have now been approved by the Board.

4 VP Finance Verbal Briefing

4.1 The VP confirmed that the Year End Accounts are now ready to be finished, subject to some minor amendments. Overall the Partnership remains in a good position, with a strong banking position.

4.2 The Chair stated he has been assured by the changes in the Finance team outlined by the VP including how the team has been split into 2, with a Management Accounts team, and a Projects, Grant Funded and Fixed Assets team. Morale is good and there are regular team meetings and meetings via Teams for all sites in the Group. There are inevitably some minor differences remaining between different sites but they will be addressed over time.

RESOLVED: To note the VP's verbal update

Audit Committee 6 October 2022

5 Internal/External Audit Verbal update

- 5.1 There is a meeting with Internal Auditors on Monday for planning the audit program 2022/23 and specifically the key areas to look at. MTK stated it is proposed to look at: Tendering and Preferred Suppliers, Casual Staff, Grants, and Staff Utilisation.
- 5.2 Committee members suggested further work on staff benefits with a view to recruiting and retaining staff, and also that financial reporting is a topic to consider following previous deferment due to staff changes. The members also asked the auditors to provide a list of areas they are asked to audit elsewhere, which would each be useful in finalising the audit plan going forward.

RESOLVED: To note the update.

8 Internal Audit Progress Report

- 8.1 Andrew McCulloch (AM) presented the report and highlighted key points. He noted 3 key questions for governors. Is there any reduction in coverage? No. Is there any limitation in the scope of any individual assignment? No. And finally, did new methods of working lead to any gaps in risk management or governance controls? No.
- 8.2 He also noted that the review of Safeguarding has been brought forward. He pointed out the table contained in page 68 of the papers which gives a good summary of the situation and stated that TIAA are satisfied that the Partnership has reasonable risk management.
- 8.3 It was queried whether the Internal Audit Safeguarding Report had been previously presented to Audit Committee members and it was requested that the Clerk should distribute this around Audit Committee members as soon as possible.

RESOLVED: To note the update provided and accept the report

9 Cyber Security

- 9.1 AC presented the report and noted that the Multi Factor Authentication for learners is being trialled currently with two groups.
- 9.2 AC also confirmed the various steps taken to reduce vulnerability to cyber-attack.
- 9.3 A governor suggested that staff surveys on cyber security could increase staff confidence and NM noted this suggestion.

RESOLVED: To the note the update provided.

12. Policy Review Cycle

- 12.1 NM introduced himself as the new Group Director of Quality Curriculum and Standards, with a particular role to deliver Ofsted Outstanding, and ensuring improvement in Teaching and Learning throughout the Partnership. His role is now part of the Executive Leadership Team while previously the Executive Director Quality role was responsible to the GIFHE Principal.

- 12.2 Committee members suggested a termly Ofsted Update item to be added to the Audit agenda.
- 12.3 Members asked whether the new role was more field-based or policy-based, and NM said it will change over time, as they attempt to take best practice from each site/area. He noted that the policy needs to be worked upon with people or is less meaningful. A concern is that too many policies can lead to policy contradictions.
- 12.4 TEC Partnership has numerous policies, of which 41 are due for review soon. Around half of these are actually at the Little Stars Nursery, so the amount is slightly misleading. NM reassured the committee that the Nursery preferred to update policies in one go to ensure it kept up to date with changes in legislation and that this was not a control issue.

RESOLVED: To note the report and update.

10. Risk Register

- 10.1 MTK confirmed that the new risk register started with a blank piece of paper as a new tool being introduced to consider firstly risk, then opportunity and also levels of risk appetite. AC confirmed that some risks do reoccur and were seen on the previous register.
- 10.2 The Chair asked if each college will still have its own Risk Register still and it was confirmed it will do.
- 10.3 Members discussed current political developments and how these may impact the Register. They noted how many of the risks were coloured red so high risk, approximately one-third of those listed. To evaluate the risk register fully it was expected the Corporation will in the near future establish the Groups appetite for risk in key areas.

RESOLVED: To note the Register and await the further updates regarding Opportunity and Appetite.

RESOLVED: To refer the Register to the next meeting of Corporation.

11. GDPR Update

- 11.1 AC provided a brief update in that parliamentary updates are still awaited. A further report will be submitted to Corporation or Audit in due course in accordance with the Terms of Reference.

14. Review of Audit Committee Performance

- 14.1 DH presented the report. Committee accepted its suggestion and agreed to defer the review until Autumn 2023 in accordance with CIPFA Guidance.

RESOLVED: To defer Review of Audit Committee until Autumn 2023.

15. Any Other Business

15.1 Reserves

15.1 MTK agreed to review this further and update both Audit and Corporation, with particular consideration as to stage 1; having a reserve, and stage 2, how much funds are 'free money', namely available for investment. Then we may consider ethical investment, and whether to recruit a specialist in the field.

15.2 Value for Money

15.2 MTK noted that a new staff member in Finance, Lauren O'Brien, is a qualified auditor, who is set to lead on Value For Money policy. The Committee agreed that MS's expertise and interest would be useful in helping establish a proposed policy scope. It was agreed that LO'B, NM, MTK and MS will meet to formulate a Value for Money working group scope to feed back to Audit, Corporation and ELT. Going forward a VFM working group update could be added to agendas accordingly.

15.3 Post-16 Audit Code Of Practice updates

15.3 DH provided a brief update as per emails to members on the revised Code of Practice. They were some minor updates, and it was suggested we ask the Internal and External Auditors about their impact going forward.

15.4 MODAL updates

15.4 It was agreed that a MODAL update should be added to the next Audit agenda, and it was also requested that a sample of MODAL Board minutes be provided to that meeting too.

Date and time of next meeting:

Tuesday 6th December 2022 at 3pm in 4H01, University Centre, Grimsby

The meeting closed at 5pm

Chair of the Audit Committee

Signed _____

Date _____

AUDIT COMMITTEE Action Schedule ; 6 October 2022

	Minute	Action by	Action
8.3	Internal Audit	Clerk	Clerk to locate and distribute Safeguarding report
9.3	Cyber Security	Group Dir Quality	To add Cyber Security to staff survey
11.1	GDPR Update	Group VP Corp Services	A further update to be provided
10.3	Risk Register	Clerk	To be referred to next Corporation
14	Review of Audit Committee performance	Clerk	Review delayed until Autumn 2023

Audit Committee 6 October 2022

12.2	Policy Review Cycle	Clerk	Ofsted Update to be added to Audit Committee agenda termly
15.2	Value For Money	Group VP Finance	Compose new VFm working group and report back
15.3	Post 16 Audit Code of Practice	Clerk	To ask Auditors at next meeting regarding any implications
15.4	MODAL	Clerk	To add MODAL Update to Audit agenda and provide sample minutes