

**Part A Non Confidential Minutes of the Audit Committee meeting
Held on 14th March 2023 at 4pm in 4H01 and via Teams**

Present Josh Greaves (Chair), Jim Harris, Guy Lonsdale, Mike Stopper, David Robinson (TIAA via Teams)

In Attendance Ann Hardy (CEO), Maria Turnbull-Kemp (GVP Finance), Adrian Clarke (GVP Corporate Services), Jane Spurgin (Interim Clerk), Penny Tracey (CEO's PA – minutes)

1. Welcome, Introductions and Apologies for absence

Audit Committee Members and staff attendees introduced themselves. JG gave a brief synopsis of the skills and experience that he was bringing as the newly appointed Chair of Audit Committee. Apologies were received from Keith Pearson and Peter de Braal.

2. Declarations of Interest

Members were reminded to declare any interests as and when they arise. JG declared an interest as the organisation he worked for was internally audited by Mazars.

3. Minutes of the meeting held on 6th December 2022 and Matters Arising

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 Clerk and Chair had liaised regarding others.

3.2 **12. FSA Management Letter 2022 including Audit Findings Report and Letter of Representation** – these were approved by Corporation at their meeting on 13th December 2022.

14. Draft Financial Statements – these were approved by Corporation at their meeting on 13th December 2022.

7. Investment Strategy – this was approved by Corporation at their meeting on 13th December 2022. MTK

13. Self-Assessment Regularity Questionnaire – completed.

RESOLVED: that the Audit Committee approve the minutes of the Audit Committee held on 6th December 2022 as a true record.

Members agreed to change the order of the agenda; Item 4 would now be the final item to be discussed.

4. Group VP Finance's Governor Briefing and Year-End 2021-2022 update and proposal to extend the audit provision

Please see Part B Confidential Minutes.

5. Internal Audit Progress Report

5.1 The GVP Finance (MTK) introduced the Internal Audit Progress Report and reminded members of the process being followed in respects of internal audits already completed and those scheduled for the remainder of the year. All scheduled audits will be completed within the planned timescale.

5.2 David Robinson (DR) confirmed the Audit of Capital Grants and Revenue was completed before Christmas and was given "reasonable assurance" with one Priority 2 recommendation. Details in private business.

5.3 The management response agreed and stated they would make this clearer in future papers. It was noted that the rest of process was really good and a significant amount of information had

been presented. MTK said from a grant perspective, this would have been signed by the CEO, but we had failed to document at ELT that it was approved and changes have now been implemented.

- 5.4 A discussion was held to ensure that the scope of the audit covered all aspects relating to Capital Grants and Revenue and also ensured they were a strategic fit for the Partnership. It was noted this was the case and any issues raised within the Audit have been addressed to the satisfaction of ELT and the auditors.
- 5.5 A discussion was held on the approval process for grants to ensure this wasn't too onerous on ELT's time. It was noted that all grants are signed off by the CEO, with the larger ones being discussed at ELT meetings for formal approval.
- 5.6 The committee discussed the partnership's success rates on grants and it was noted that our hit rate over the last 12 months was very good.
- 5.7 In response to a question about what informed the decision for grants applications, it was noted that they needed to be a strategic fit. We specifically target certain grants - details in private business. Grant opportunities go to GLT or ELT for approval and it moves forward from there, following our panel process and it is an iterative process with the grant provider. It was acknowledged that some grants were more competitive than others but this is always looked at in the canvas.
- 5.8 A discussion was held on the deliverability and the impact on staff and how this was considered when bidding. AC said this is fully considered and often we build in a secretariat to support the project, with assistance from the Finance and Project teams; vacancies can be difficult to appoint to within the time constraints in the grant. Previously we have struggled with revenue grants, but had more success with capital grants. We often act as the prime, and work with other partners to reconcile information and are acting as a prime for 4 grants at the moment; we have the resource and expertise to act as prim. It was noted that when we prime we charge a management charge for this activity and the Projects team act as secretariat.
- 5.9 DR is working with MTK and the Finance Team in the lead up to the next planned audits and these are in the diaries.

RESOLVED: to note the Internal Audit Progress Report.

6. Delegated Authority Policy

- 6.1 MTK introduced the Delegated Authority Policy and explained why this policy had been written and introduced to the Partnership; this was as a result of previous managers signing off contracts without them being seen by the ELT. The policy has also been amended to show the recent changes in the governance structure and all changes have been made to safeguard the organisation.
- 6.2 A discussion was held on the need to hold staff to account within the policy. MTK confirmed the policy will be introduced to GLT, Finance, form part of the induction training and be communicated to existing staff; it will be fully embedded within the organisation.
- 6.3 A discussion was held to ensure that we have control of our existing contract and commitments and any future contracts and MTK explained the processes followed in these instances. This policy works alongside our Financial Regulations and existing tender process. The Financial Regulations are reviewed annually to ensure the levels of delegation are appropriate. MTK will provide a further update once we receive the ESFA guidance.

RESOLVED: to approve the Delegated Authority Policy.

7. Cyber Security

- 7.1 The GVP Corporate Service (AC) presented the report and gave members an overview of our cyber security and what was being done to ensure we are cyber safe.
- 7.2 A discussion was held on how much our risk profile had changed over the last 12 months and the steps we were taking to address any new concerns. Our biggest concern will always be user error and we are continuing to educate our staff on cyber security via rolling updates with Boxphish online training. AC explained how our Security Operations Centre (SOC) provides support and informs us of any potential security breaches, a full audit log is created and AC will bring a SOC log to a future meeting. The SOC can also switch us off if it feels it is too serious.
- 7.3 Members shared their experience of cyber security breaches and the damage and costs this leads to within organisations. It was acknowledged the TEC Partnership take this very seriously and are far ahead in the sector. Members acknowledged this report comes to every Audit Committee and it is given the seriousness it needs. The partnership are very aware of peers where issues have happened and we have learnt from this.

RESOLVED: to note the Cyber Security update provided.

8. Risk Management Progress Report and Risk Register Update 2023/24

- 8.1 The CEO (AH) introduced the Risk Management Progress Report and Risk Register Update 2023/24 and a discussion was held on the Risk Register and the controls being put in place to manage these risks. AH explained that the within the Group Leadership Team (GLT,) each member has their own risk register for their part of the organisation and these feed up into the strategic risk register. The key areas of concern are identified in the report for governors.
- 8.2 The Chair stated that the report and register felt very competent and considered and he was happy with the way challenges were pulled out into the report; it gave him a feel for it which he appreciated as he had no context. Members agreed it had been a great time to re-vamp the risk register. It now reads a lot better and means a lot more, than anything the Committee had had in the past. SH confirmed this needs to be a workable document and is looked at every 6-weeks by ELT; it needs to be up-to-date and relevant to drive the business forward. MTK said we are also looking at opportunities and this will be embedded in this process.
- 8.3 Re-classification. It was noted that a lack of information around some areas made it difficult. AH has asked for a discussion with the DfE and raised concerns with all of our local MP's but received no response regarding the changes to reserves. AH said it is a real concern how we are being treated by the DfE, there is no clarity around how we operate. AH said that JG's experience with academies will be useful. We are expecting a handbook by March 2024. JG said this was how the DfE dealt with academies. AH said we had our annual strategic review with the DfE on 14th February but there was a lack of clarity as they don't know details themselves at present and there was a real feeling of frustration.
- 8.4 The Chair reflected that the Partnership clearly had a healthy approach to risk management and he was interested to see how this might shape some of the audits we have. He said through the annual schedule we would learn more about certain areas and fulfil our audit responsibly and understand more. It was noted that a previous risk register had identified we didn't have an Investment Policy and this had now been addressed.
- 8.5 A discussion was held on potential deep dives into some of the risks to look into the areas in more detail to see whether there were any other risks or opportunities; this would allow a deeper understanding of the area, the controls and actions and what is being done to address and discuss the issue. AH confirmed we take a similar approach with GLT and would be happy to do this with the Audit Committee.

It was agreed this would be looked at a future meeting and ELT would identify and share their sense of the "hot" areas; these were noted as staffing, recruitment, budgets, how we can afford the next pay rise. A governor said we need to understand as a committee how ELT and the governing body are engaged from a planning and risk appetite around key issues. It was agreed there would be a presentation on the assessment process at the next meeting.

8.6 In response to a query it was noted that with the new committee structure Modal was looked at under the new Finance & Resources Committee but MTK will provide a brief update under item 4.

RESOLVED: to note the report and update on Risk Management Progress Report and Risk Register Update 2023/24.

9. Fund Fraudulently obtained report – verbal

9.1 There was nothing to note.

RESOLVED:

10. Any Other Business

No AoB was raised.

11. Date and time of next meeting:

Thursday 15th June 2023 at 4pm in 4H01.

The meeting closed at 5.56 pm

Chair of the Audit Committee

Signed _____

Date _____

AUDIT COMMITTEE Action Schedule ; 14th March 2023

No	Minute	Action by	Action
6.3	Delegated Authority Policy	MTK	MTK will provide a further update once we receive the ESFA guidance.
8	Risk Management Progress Report and Risk Register Update 2023/24	AH/MTK	ELT would identify and share their sense of the "hot" areas; these were noted as staffing, recruitment, budgets, how we can afford the next pay rise. It was agreed there would be a presentation on the assessment process at the next meeting.