

**Part A Non-Confidential Minutes of the Joint Audit and Finance and Resources Committee meeting
Held on 26th November 2024 at 4.00pm
In the 4H01, University Centre Grimsby, and via Teams**

Governors Present: Robin Atkinson (RA), Andrew Bennett (AB – Chair of Finance and Resources), Ally Brooks (AB), Tracey Gyte (TG), Ann Hardy (AH – CEO), George Lee (GLee), Andrew Lindley (AL), and Guy Lonsdale (Chair of Audit- GLon)

Apologies:– Mark Riley (MR)

In Attendance: David Hoose (Forvis Mazars), Martin Ritchie (MR – TIAA), Maria Turnbull-Kemp (GVP Finance), Adrian Clarke (GVP Estates) Katie Wheeldon (KW – GVP) and Antonia Praud (AP – Director of Governance)

Apologies: Ayesha Hall (Ahal - Executive Director People and Culture)

1	<p>Welcome, Apologies for absence, Declarations of Interest and Confidential items</p> <p>Members were welcomed to the meeting. It was confirmed Guy Lonsdale would chair the meeting. Apologies were received from Mark Riley and Ayesha Hall. These were accepted with consent.</p> <p>There were no declarations of interest in addition to the annual declarations from Ally and George.</p>	
2	<p>Internal Audit Update</p> <p>Apologies were shared again that the pack had initially included draft reports. The pack had been updated with the final reports, including management responses when completed, but this was not available at the time the pack was initially distributed.</p> <p>GDPR report</p> <p>MR apologised again for the delay with the report and confirmed that they group will not experience this again for 2024-25 activities. The outcome was an assessment of Reasonable Assurance, and it was confirmed this is seen as a positive outcome. There were some points of good practice identified within the audit. Assurance was given that no points raised were linked to any concern that the group were not following GDPR regulations. They were instead routine improvement recommendations. Overall, there were:</p> <ul style="list-style-type: none"> • One important recommendation • 5 priority 3 recommendations – including some very routine and minor changes. <p>Governors questioned the level of sampling the Auditors had used for their data protection assessments.</p> <p>It was confirmed the Auditors would check and come back and confirm this.</p> <p>Governors confirmed they were interested in the group’s approach to document governance and questioned the process followed. They were informed the group have a central approach to all policy updates. The named lead receives a reminder and confirmation of the process to follow. There is a group template for all policies, and a team that own the central policy database which records when each policy was last reviewed and is due for the next review.</p> <p>It was confirmed that the team are not sure how the GDPR policy review had not followed the group’s standard process.</p>	1

	<p>Governors confirmed the process, and currency is just as important as the contents as a means for assurance. They asked if it was possible to see how the policy had been missed, and if the group process could be reviewed to ensure it is comprehensive and this could not happen again. Governors also asked if the process covered impact assessments. They were informed the group are considering investing in software to manage this and the auditors had made a recommendation. A governor also suggested using the Microsoft BI tool.</p> <p>Internal Auditor’s Annual report</p> <p>This aims to summarise the work carried out over the year and the key purpose is to provide their annual opinion. It was confirmed that on the basis of the completed audits, the Internal Auditors were providing a positive opinion.</p> <p>The remainder of the report summarises the work completed in the year, a breakdown of work completed in previous years, and changes made since the original plan was agreed at the start of the academic year.</p> <p>The auditors confirmed they would liaise with the management team to get dates booked in soon for the 2024-5 year.</p> <p>Governors questioned how the number of days in the plan compared with others and also questioned if the key risk areas were similar to others in the sector. The auditors confirmed it was fairly consistent. The days in the plan were sufficient for them to provide an annual opinion and allowed a reasonable amount of time for each audit, enabling them to review themes in detail. It was consistent with peer organisations.</p> <p>Governors challenged when they would receive the timetable for activities in the 2024-25 plan and when it was likely to receive the scoping documents for the reviews. It was confirmed TIAA were drafting the scoping documents and they agreed to share the scoping plans for the year within days. They also confirmed they would reach out to the management team this week to look at dates and suitable scheduling across the year.</p> <p>Governors thanked Martin Ritchie for his report and he left the meeting.</p> <p>See confidential minutes.</p>	<p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>
3	<p>External Audit</p> <p>Audit Completion report and the financial statements 2023-24</p> <p>David Hoose joined the meeting and confirmed this was the cleanest and smoothest audit in their history with the TEC Partnership. Very little had come to their attention, and they expected to issue a clean audit opinion. The main audit in section three had received a clean bill of health and the only item mentioned is a narrative on how the trading subsidiary and design and build contract was put together.</p> <p>The external auditors are happy with this and have just noted it as it is new.</p> <p>A small number of amendments were noted:</p> <p>P 4 – a typo as it should say “no” significant issues</p> <p>Three changes to the governance report – a typo in AL’s name, updating GL’s attendance at Audit Committee, and confirming the result of the GDPR audit.</p> <p>DH also confirmed there were no concerns in the statements to bring to governors’ attention.</p>	<p>7</p> <p>8</p>

	<p>Thanks to were noted to Maria and the team for an incredibly smooth process this year.</p> <p>The group are reporting a small positive surplus which is good and is in line with where we said we would be before the pension re-evaluation. In line with others in the sector, the group have chosen to keep the pension re-evaluation at £0 so as not to artificially inflate the reserves. The only item looking high is figures under construction, which relate to the two large build projects of Skegness and the animal care centre and the figure would have also included the heart of the campus works that were underway at the end of the 2023-24 year too.</p> <p>Subsidiary reports: Support Staff Services is where we pay staff salaries and is not there to make a profit. Therefore, the final report is £0.</p> <p>Grimsby Trading is showing a surplus from transportation at Grimsby and also from the design and build project. This will be gift aided to the corporation.</p> <p>Governors confirmed the external auditors had provided a reassuring report and thanked them for their support. They also noted thanks to the staff involved in the audit process. Governors then raised a number of questions for assurance including the amount held in shareholder funds (£2) and working capital. It was confirmed that the figure of £656k was a result of a timing issue on paid invoices that TECP had not paid but then had made the adjustment in the accounts.</p> <p>Governors questioned the statement on regularity and compliance and asked the external auditors what assurance they received to enable them to have confidence in giving their audit opinion. As well as the audit of the financial accounts, the auditors were informed by the regularity questionnaire. They reviewed the forms of evidence noted in the report, which had been detailed. All evidence was uploaded to their portal.</p> <p>MTK confirmed that our management accounts are as good as year-end accounts as standards are maintained each month and the team complete all the reconciliations every month. This has also ensured a smooth process for the audit. Understanding what information the external auditors required last year had also informed our processes, and the team were ready to provide this evidence at the start of the audit on the external portal. Communication between the management team and auditors had been clear and strong.</p> <p>The committees confirmed they would recommend the group financial statements and subsidiary statements for 2023-24 to the corporation on 10th December.</p>	9
4	<p>Annual Report of the Audit Committee 2023-24 and Regularity Self-Assessment Questionnaire</p> <p>The committees reviewed the annual report of the audit committee. Despite experiencing turnover in committee membership, they confirmed they had maintained a strong focus on governance.</p> <p>Governors confirmed the group were aware of the procurement processes for the tenders of the internal and external auditors and questioned why it would tender for external audit services when the team were happy with the performance of Forvis Mazars. Noting that the latest financial handbook allows scope for reappointment, they also reflected on the length of contract</p>	

	<p>and two extensions the group had held with Forvis Mazars, and it was best practice to go to market, even if a decision was made to reappoint.</p> <p>Governors noted the risk that the group could be limiting options by tendering both Internal and External Audit services and it was agreed that MTK would consider the timing of the activities. The internal audit tender would be begun as a priority. The Chair of Audit would be invited to participate in the tender process.</p> <p>The committees approved the Audit annual report and regularity self assessment questionnaire and agreed to recommend them to the corporation and sign off by the chair of corporation.</p>	10
5	<p>Finance and People Report</p> <p>Latest accounts</p> <p>The year-to-date surplus is £715,914 against a budgeted surplus of £70,951, a positive variance of £786,865. HE income is down by c.£590k. They will make sure the reforecast reflects this in January but overall it will be balanced out by FE income within the group accounts.</p> <p>Governor engagement: MTK has been speaking with Andrew L and met Andrew B to go through the papers in detail. MTK and AC will meet with ABe regularly as Chair of the Finance and Resources Committee. MTK is also working with AL to look at how to present the cashflow forecasts.</p> <p>The group are part of the financial pilot – so need to upload our information to the DfE on a monthly basis. We are using a cashflow tool the government recommends and it is automated and shows our free reserves. Ideally, we can develop this further to create an automated process that links with the CFFR and does not take too much man power or time.</p> <p>The group also have a number of capital projects and it is a manual and time consuming process to review costs. The team are looking at a new process to consolidate and automate the reporting, and this will become a priority now the external audit has been completed. Governors confirmed VAT looks high as it is in central overheads.</p> <p>People and Culture</p> <p>Recruitment Tracker</p> <p>We have been making significant inroads on the new recruitment system and will be ready to go live in January 2025. An engagement session has been arranged on 3rd December to review the People and Culture Strategy and AP is minuting this, so it is documented.</p> <p>The priority is making sure our processes are working effectively so the team can move forward with the strategy.</p> <p>PDR and Induction Process</p> <p>We are doing a full root and branch review of the PDR process and Induction program, and have paused the current process for all staff. This has been a positive step – and many staff saw the old process as a tick box exercise. The timing of the new process will tie more closely to the end of the academic year and will include a review of personal development.</p>	11
	<p>People and Culture</p> <p>Recruitment Tracker</p> <p>We have been making significant inroads on the new recruitment system and will be ready to go live in January 2025. An engagement session has been arranged on 3rd December to review the People and Culture Strategy and AP is minuting this, so it is documented.</p> <p>The priority is making sure our processes are working effectively so the team can move forward with the strategy.</p>	12
6	<p>Estates Update</p> <p>Maintenance plan The boilers are up and running and package one is almost complete. We are progressing with some items that were not identified in the survey (e.g. roof at Hull)</p>	

	<ul style="list-style-type: none">• The approval of the accounts can be a dry meeting, but it is good that it is dry as it indicates that the process has gone very well.• There was a lot of food for thought especially for internal and external audit provision tenders• Members were pleased to note progress on the risk register.• Good chairing and discussion	
--	---	--