

**Part A Non-Confidential Minutes of the Audit Committee meeting
Held on 6th November 2024 at 4.00pm
In the 3H14, University Centre Grimsby, and via Teams**

Governors Present: Robin Atkinson (RA), Tracey Gyte (TG) - part, George Lee (GLee), Guy Lonsdale (Chair - GLon), Mark Riley (MR)

Apologies: Tracey Gyte (TG) – partial apologies provided

In Attendance: Martin Ritchie (MR – TIAA), Maria Turnbull-Kemp (GVP Finance), Adrian Clarke (GVP Estates) and Antonia Praud (AP – Director of Governance)

Apologies: David Hoose (Forvis Mazars)

1	<p>Welcome, Apologies for absence, Declarations of Interest and Confidential items</p> <p>Members were welcomed to the meeting and a warm welcome was extended to new members, and new TIAA Lead, Director of Audit – Martin Ritchie. Partial apologies were received from Tracey Gyte, who was packing the Maths GCSE exams and would then join the meeting. These were accepted with consent.</p> <p>Thanks and recognition were recorded to Josh Greaves, who had admirably chaired the committee. It was confirmed that Guy Lonsdale had been appointed as Chair of the Committee at the board meeting in October. Acknowledging Josh was a hard act to follow, Guy confirmed his approach, where he was keen to encourage open and honest debate. He reaffirmed his belief that good governance leads to good performance. His aim was that strong audit control and risk oversight would result in a positive impact for the TEC Partnership and successful achievement of its objectives.</p> <p>There were no declarations of interest. Two confidential items were noted, under the fraud update and the cyber security report.</p>	
2	<p>Internal Audit Update</p> <p>As background for new members, it was confirmed that the group had requested 5 audits from TIAA over the year, and had used JISC, as specialist auditors, for a review of cyber security. The previous TIAA audit results for earlier audits had received substantial assurance.</p> <p>There were two audits remaining, and the results of the Health and Safety audit were shared, confirming reasonable assurance.</p> <p>The final audit results on GDPR are due by 12th November, when the auditors will meet with ELT members. The final audit report and annual report of the Internal Auditors would be shared soon thereafter. The tight timescales to ensure papers were ready for the joint meeting on 26th November were confirmed and assurance received that subject to receiving the one action outstanding, the Auditors would meet the deadlines (12th November (meeting and 15th November (paper deadline)).</p> <p>It was confirmed that the scoping documents from 2023-24 would be circulated, and, when ready, the scoping documents for the audits planned in 2024-25 would be provided to committee members.</p>	1 2 3

TIAA confirmed their plan matched the plan approved at the board meeting in July, and they would be prioritising the first two audits of:

- Absence Management
- Safeguarding
- Apprenticeship Delivery
- Staff development and
- Recruitment
- There would also be a follow up audit in summer 2025, which would review the outstanding actions from previous audits.

Health and Safety Audit:

The audit focused on excursions, accidents and RIDDOR reporting and some good practice points were noted. Of note, the department undertake a number of their own internal audits each year, and the team are procuring a new system to further improve the recording, analysis and response to health and safety training.

Five action points have been raised – including 3 “important” graded recommendations, and 2 priority 3 (more minor or routine) recommendations.

The 3 important recommendations are linked to:

- Ensuring certificates and training assurance are accessible.
- Ensuring all elements of compliance for trips is maintained on the system (Evolve) as gaps in sample testing were identified.
- Ensuring all staff complete mandatory training and there are effective records of training on file.

Governors noted the other two recommendations were more routine and confirmed the recommendation for the risk register was a recommended control as the policy mentioned is no longer in place.

The committee asked the Auditors what level of assurance they could take from the report, and how the results fared against other colleges in the sector, and especially college groups. It was confirmed that the findings are nothing that is out of the ordinary. Positive practice was identified and the overall response of “reasonable” assurance is common amongst other colleges. The findings were more about the audit trail than urgent concerns.

Follow up audit: 13 recommendations had been made, and 2 of the recommendations are considered not implemented. The reasons for this were included on page 3 of the report. It was confirmed the Auditors will consider them as closed and they will not roll forward.

Governors reviewed the report and confirmed it was positive that there were no actions outstanding. Governors asked the Auditors about the two actions not implemented, and challenged why a follow up action was agreed at the time? They also questioned why challenge had not been raised at the time the reports were received, hence they appeared as follow up recommendations. It was confirmed that it is important, when the final reports come to the Audit Committee, that areas of disagreement have already been controlled and resolved. TIAA are looking at this within their own processes of self-assessment.

Governors questioned the processes experienced and it was confirmed that robust discussions had taken place at the time. This audit had received substantial assurance and this was their only action from the audit.

	Governors confirmed assurance that the outstanding reports would be sent within the deadlines, and asked for a timeline for audit activities for 2024-25 at the earliest opportunity.	4					
3	<p>External Audit</p> <p>The external audit process has gone well this year. There are no issues to note. The process has been faster than last year due to a lot of work completed by the Finance team in advance. They have also fundamentally changed how they share information – providing Excel consolidated accounts so the Auditors can follow through where all numbers come from.</p> <p>One adjustment was highlighted, since the financial snapshot had been shared with members. It was confirmed it does not make any difference overall, when the accounts are consolidated. It refers to a management charge from Grimsby Trading to the TEC Partnership of £36k. Governors were reminded advice had been taken for the use of Grimsby Trading, a design and build company, which is VAT registered and signed off by HMRC, for the campus works in Skegness (worth £3m).</p> <p>To date the team have not been informed of any concerns.</p> <p>The cash position is interesting, as they have only used £42k this year, with the rest being grant funded. The time taken for review is costly and therefore an alternative approach may be considered next year.</p> <p>Governors questioned if there were any significant risks to note and it was confirmed that there were no risks considered of note. Advice had been taken for:</p> <ul style="list-style-type: none"> • Grimsby Trading – the group received external advice on the tax position and this was reviewed by Fortis Mazars. • The incident of fraud last year was flagged to the Audit Committee. raised to Humberside Police and the ESFA. The matter is still ongoing. There will be a note in the statutory accounts, and a new process in place so it cannot happen again. <p>Governors asked about payment limits and checks in place for credit card payments. Assurance was received that there are controls for each company credit card, standing orders on credit cards have been fully reviewed and the team audit our credit card usage at regular intervals too.</p> <p>TG joined the meeting.</p> <p>Governors questioned how much there was left to complete and asked for assurance the final report and accounts would be ready for the meeting on 26th November. It was confirmed that all activities are on track and the finalisation meeting is on 18th November.</p>						
4	<p>Approval of the Minutes of 10th June 2024</p> <p>The committee confirmed the minutes and confidential minutes were an accurate record of the meeting and they were duly approved.</p> <p>Matters Arising:</p> <table border="1" data-bbox="145 1951 1329 2103"> <tr> <td data-bbox="145 1951 209 2103">1</td> <td data-bbox="209 1951 703 2103">Internal Auditors will share a proposed plan of suggestions for the ELT to consider, and commence conversation earlier in the next</td> <td data-bbox="703 1951 847 2103">DR/ MTK</td> <td data-bbox="847 1951 1034 2103">May 2025</td> <td data-bbox="1034 1951 1329 2103"></td> </tr> </table>	1	Internal Auditors will share a proposed plan of suggestions for the ELT to consider, and commence conversation earlier in the next	DR/ MTK	May 2025		
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	academic year, as part of the planning process for the Internal Audit Plan for the coming year. ELT will consider this as part of their internal review and present recommendations to the Audit Committee.				
2	College to reference incidence of fraud in their regularity report this year, and Auditors will need to mention it too. Also to be recorded in the self-assessment regularity questionnaire	MTK & AP	December 2024	Within report and accounts	
3	Recommend the fees to the corporation	JG & MTK	July 2024	Completed	
4	Share redacted information on the incidence of fraud with the Internal Auditors	MTK	July 2024	Completed	
5	DR to follow up with colleagues and confirm a new date for the GDPR Audit, which will be delayed due to exceptional circumstances.	DR	ASAP	Completed and report due by 12 th November	
6	Share the scoping documents with the committee for internal audits	MTK	Via Email	Request made again in meeting	
7	Share more detail on the ideal scope for the areas that have been discussed and agreed for audit (which will be expanded to include talent recruitment and retention) which will have additional days (2 audits combined as no need for GDPR again) It was agreed that MTK would email David with a draft proposal and he will then add further details to the final documents	MTK	July 2024	Request made again in meeting	
8	Recommend Internal Audit Plan for 2024/2025 to the corporation	JG	July 2024	Completed	
9	Replace the business continuity audit with one focusing on Safeguarding, and prioritise this to be in the autumn term, after absence management which will be the first audit in the next academic year	DR and MTK	July 2024	Completed	
10	Tender for internal and external audit services, and involve committee members. Also share criteria used, that has been recently updated	MTK	Commence activities in January 2025 immediately after annual		

				audit is completed			
	11	Share ESFA ILR Audit with committee members when received	MTK	When available	Report shared with corporation members in October meeting pack		
	12	Provide an update to the committee on progress against the action plan, after the JISC Cyber Security Audit	AC	24 September 2024	On agenda today (postponed meeting from September)		
	13	Financial regulations – the cover sheet needed updating, the actual regulations are correct. It was the item which referred to page 28.	MTK	ASAP and before shared with the Finance and Resources Committee	Completed		
	14	Follow recommendations from colleagues on Search and Governance Committee - for the Conflicts of Interest Policy	AP	ASAP	Completed and approved on 9 th July 2024		
	15	Update on the staff survey outcome at the Finance and Resources meeting and then further at the corporation meeting	AH	9 July 2024	Update to Finance and Resources Committee, then Corporation on 9 th July, summary slides shared with members in September, and Habit 5 presented to members on 17 th September 2024		
	16	Amend the terms of reference to add AC to the attendees of this committee	AP	ASAP	Amendments made, and Search and Governance Committee have supported the amendment, and are recommending to the corporation in December 2024.		
5	HMRC update (See confidential minutes)						
6	Risk Update Development of the Strategic Risk Register: At the recent corporation meeting, the approach to oversight of risk was considered and approved and the Audit Committee will have full oversight of the register. It will also be able to signpost areas for a deep dive for assurance purposes to other committees. The board will focus						

on update reports, and key risks. The risk register has had further changes since its review at corporation on 16th October including:

- The insertion of a column highlighting which committee will review risks
- Amendments including Updating and combined some risks and moving some to completed risks
- A new risk to the register. They have had a change in the Estates team and noted a potential issue with compliance (asbestos register) so the group are completing a full review.

(See confidential minutes)

Governors questioned who identifies risks and how often the register is reviewed.

MTK is the lead, and it is reviewed by the Group leadership team every 6 weeks. All key technical Leads are there. They go through the register and have small working groups reviewing their technical areas. Then ELT review it together before it is shared with the Audit Committee. However, it is a live document and will be updated if a risk is identified. That is why the committee papers were pulled and came out late as they had just identified this risk and needed to update the register.

Governors questioned controls and mitigations within the register. They highlighted there were a couple of risks with no movement between inherent and residual risk. Governors questioned the accuracy of the ratings, as there were actions recorded but no change in the scores overall? The team have trialled a number of actions, but the scores are a reflection that despite moves to address the risk (e.g. the decline in HE numbers), none of the actions are working. Eg HE recruitment all of the options trialled are currently not having a positive impact on HE numbers.

The committee reviewed the risks and confirmed there were a couple of risks identified as “red rated” and without movement in the inherent and residual risk –linked to HE recruitment and Skegness. Interrogating the data, governors confirmed they understood that the scores for Skegness were because it is a significant investment. A lot of marketing activity is being undertaken to recruit for the future capacity of the new campus but it is still too early to tell the impact until we open and students and staff join.

HE – the scores assigned by ELT confirm that all the actions taken to date have been unsuccessful in changing outcomes and the score needs to stay as it is until the team find a solution that has an impact. Governors questioned if we are limited by what we know and if there would be an opportunity to connect and learn from others who have been able to buck the trend? The committee confirmed they understand it is a challenging area, and nationally, colleges are reporting similar trends. After discussion it was agreed this was an area where assurance would be a benefit and the board would benefit from hearing which options have been tried and discarded, others which are continuing, and what other plans are being undertaken to reverse the decline in numbers. The committee agreed to ask the Curriculum and Quality Oversight Committee to request a deep dive activity.

The next step in the development of the risk register, is to develop the capture of opportunities.

Members questioned the internal auditor for his opinion of how the board may use the risk register to inform work and how it might be used to improve performance?

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	<p>He confirmed support for their risk based approach at looking at risks and mitigating actions and identifying areas for deep dives as an approach to risk management. Reviewing the register in the papers, he noted no major omissions came to mind, and it included reasonable evaluations and justifications. It was also good to see the register used to propose the focus and scope of internal audit activities.</p>	
7	<p>Funds Fraudulently obtained report – verbal See confidential minutes.</p>	
8	<p>Cyber Security See confidential minutes.</p>	
13	<p>Senior postholder expenses The levels are very low overall and there has been no international travel. Controls are in place and payroll check each claim. All sign off's followed the process in the financial regulations.</p>	
	<p>Governance Items Self-assessment report & Code of Practice The committee reviewed the report and confirmed that MTK and AC had reviewed the assurance. MTK confirmed she had reviewed the report and made a number of amendments. Governors agreed to send any final amendments to AP.</p> <p>Draft Annual report from the Audit Committee Governors noted the detail in the annual report and agreed to send any final amendments to AP.</p> <p>Audit Committee terms of reference It was confirmed the Search and Governance supported their amendment suggested, and will recommend a change to the Standing Orders in December.</p> <p>Schedule of business for the committee The committee reviewed the schedule of business for the year, and look forward to the incorporation of deep dive reports through the committee structure.</p> <p>Training assurance The committee noted the report and plans for the development of individual training records.</p>	6
14	<p>Review of the meeting The committee reviewed the meeting and confirmed there had been:</p> <ul style="list-style-type: none"> • Effective time management. • Good discussion and questions raised throughout the meeting. • Request for thoughts on improvements or risk oversight to be sent to the Chair. • The hybrid nature of the meeting had been challenging due to the technical issues. Apologies were noted for the poor sound – due to a meeting room change to accommodate the Ofsted meetings. 	
15	<p>Date of next meeting 26th November 2024</p>	

