

MEETING OF THE AUDIT COMMITTEE OF MACCLESFIELD COLLEGE

TUESDAY 28 MARCH 2023 – 9.30 AM

REMOTE MEETING TO BE HELD VIA ZOOM

PART I

Clerk: Mrs R Clare

Director of Finance and Estates to join the meeting once the Audit Committee has ascertained if there are any matters that the auditors wish to pass to the committee from their perspective whilst no college staff are in the room.

Attendance	M Wright, M Bowers, C Johns
Attendance Non-Committee Members	Internal Auditors V Hayhoe
Apologies	S Horseman, J Mairs, N Schofield

The internal auditors were present and confirmed that there were no matters to pass to the Audit Committee from their perspective. VH was invited to join the meeting.

Actions	VH
<p>5/23 VH also recommended that risk 7 in relation to capital projects remains dormant unless there is a live project and that risk 10 relating to Pandemics be absorbed within risk 9 (business continuity). The Audit Committee approved the recommendation.</p> <p>An additional risk in relation to the bank covenant was recommended to be added to the risk register by VH and the Risk Management Group. This was accepted by the Audit Committee and the Risk Register will be amended to reflect this.</p>	

MINUTES

- | Item | Title |
|-------------|---|
| 1/23 | <p>Welcome and Apologies for Absence
Apologies for absence were received for S Horseman and J Mairs. N Schofield was not in attendance at the meeting.</p> |
| 2/23 | <p>Declaration of Members' Interest
There were no declarations of interest.</p> |
| 3/23 | <p>Minutes and matters arising
The minutes of the meeting held on 29 November 2022 were approved as an accurate record.</p> |

The matters arising were reviewed. **The action relating to risk and capital projects will be discussed under item 6 on the agenda.**

The Audit Findings Report for the year ended 31 July 2022 will be recommended for approval at the Corporation meeting on 6 December 2022.	VH	✓
The letters of representation will be shared at the Corporation meeting on 6 December 2022 for signing by the Chair of the Corporation and the Principal.	VH	✓
The Audit Committee agreed to recommend the Report and Financial Statements for the Year ended 31 July 2022, subject to three minor amends that were reported by V Hayhoe at the meeting. A Governor had also raised the amendments. The amendments will be made and an updated copy will be shared with the Director of Governance, ahead of the Corporation meeting.	VH	✓
The Chair of the Corporation and the Accounting Officer are required to sign the Self-Assessment questionnaire to meet audit and ESFA requirements.	VH	✓
The Annual Risk Management Report for the period 1 August 2021 to 31 July 2022 was recommended to the Corporation meeting of 6 December 2022 for approval.	VH	✓
Audit Committee Members recommended the Annual Review of Risk Appetite report to the Corporation meeting of 6 December 2022.	VH	✓
Q: When you review the Capital risk next time at the Risk Management Group, this could be reviewed in relation to future projects. V Hayhoe agreed that the risk relating to Capital projects will be reviewed at the next meeting but provided assurance that the College has excellent skills and experience in this area to manage and execute projects well.	VH	Item 6
The Audit Committee recommended the Annual Report of the Audit Committee to the Corporation meeting to be held on 6 December 2022.	VH	✓
The Terms of Reference will be recommended to the Corporation meeting for approval at the meeting on 6 December 2022.	VH	✓

4/23 **Fraud, GDPR and RIDDOR reportable incidents**

There were no matters reported relating to Fraud or GDPR.

A RIDDOR incident was reported. The Construction Manager had fallen at work on 2 March 2023 and was reported to have broken two ribs. The incident was reported to HSC on 6 March 2023. There has been no communication from HSC since the matter was reported.

Q: Is the Construction Manager well and able to return to work?

VH reported that the Construction Manager is well and has returned to work.

5/23 **Risk Management**

i. To receive an updated copy of the Risk Register

A new Risk Register was recommended by VH to the Audit Committee in June 2022. The new Risk Register was subsequently approved by the Corporation. The Risk Management Committee met on 14 March 2023 and reviewed the 11 strategic risks on the register. Additional controls were added to risks 1,2,6,9 and 11 on the Risk Register and VH shared the additional controls in red text for the Audit Committee to review. VH provided the Audit Committee with the reasons for the change in scores. The reasons were accepted by the Audit Committee.

VH reported that the Risk Management Committee had changed the risk rating to risk 2, 7 and 11.

VH also recommended that risk 7 in relation to capital projects remains dormant unless there is a live project and that risk 10 relating to Pandemics be absorbed within risk 9 (business continuity). The Audit Committee approved the recommendation.

An additional risk in relation to the bank covenant was recommended to be added to the risk register by VH and the Risk Management Group. This was accepted by the Audit Committee and the Risk Register will be amended to reflect this.

ii. To receive the Risk Management Policy and Procedures

VH presented the Risk Management Policy and Procedures and shared the approach to managing risk, assessing risk and how it is monitored. **The Audit Committee approved the Risk Management Policy and Procedures.**

6/23 **Internal Audit**

To receive the Internal Audit report for Health and Safety

The new Internal Auditor presented the Internal Audit report for Health and Safety. As it was the first report to be presented to the Audit Committee by the new Internal Auditor, the formatting of the report was explained. The Internal Auditor reported that the Health and Safety Audit had received 'adequate' assurance showing really good progress in the area. There was good practice seen with a small number of recommendations. The recommendations related to Trips and Visits. There were two 'green' recommendations and one 'amber' recommendation. The recommendations were of administrative nature and viewed as minor recommendations.

A Management Response had been provided. It was stated that the Management had not accepted the recommendation relating to the adding of an additional column to include the name of the First Aider in attendance. MW explained that this was seen as duplication and does not add any value to the control of the environment.

The Internal Auditor explained that in relation to educational visit form completion, this should be signed and dated to show that it has been reviewed by someone who has had suitable training. VH explained that only one member of staff signed and dated the form for educational visits and they had received suitable training, so it was not necessary to sign and date the form.

Q: What additional action is the College required to take?

The Internal Auditor confirmed that the College could be open to criticism and therefore the recommendation to sign and date the form was agreed.

The Audit Committee recognised the positive work undertaken in this area and the improvements to date. It was pleasing to note that the 6 recommendations from the previous Health and Safety Audit had been implemented and suitable controls were in place.

To receive the Internal Audit Progress Report

The Internal Auditor shared the Internal Audit Progress report to date and progress against the plan. It was explained that the Payroll Internal Audit had been completed and was currently at the Quality Assessment Stage of the Internal Audit process. A planning meeting has been scheduled for the Student Records Internal Audit. The Information Governance Internal Audit is scheduled for May 2023. The Subcontracting Internal Audit will be confirmed if the College goes over the £100K threshold that requires an internal audit to be undertaken.

Q: Are you able to confirm if there are any high-risk recommendations from the Payroll Internal Audit?

VH confirmed that she had not received a copy of the draft report. The Internal Auditor confirmed that there were no high-risk recommendations and 'positive assurance' had been awarded.

7/23

Date and time of the next meeting

The date of the next Audit Committee meeting is 20 June 2023 at 9.30am.