

AUDIT COMMITTEE MEETING

MACCLESFIELD COLLEGE

TUESDAY 25 JUNE 2024

Clerk: Ms S Gardiner

Director of Finance and Estates to join the meeting once the Committee has ascertained whether there are any matters that the internal auditor wishes to pass to the Committee, whilst no College staff are in the room.

The Internal and External Auditors confirmed that there were no matters to pass to the Committee from their perspective.

Attendance	M Wright (Chair), M Bowers, I Lees, A Hunter
Attendance Non-Committee Members	Internal Auditor Validera – Lee Glover (LG) and Daniel Hassan – Item 5 only (9:30am to 10am) V Hayhoe – Director of Finance and Estates (VH) A Farrar – Observing as new Director of Finance
Apologies	G Bristow, N Hodgkinson

ACTIONS	RESPONSIBILITY
Arrange a meeting with incoming Director of Finance, outgoing Director of Finance and Estate and Validera prior to 12.07.2024	Clerk/VH

MINUTES

Item Title

1. Welcome and Apologies for Absence

Apologies were received from G Bristow and N Hodgkinson.

2. Declaration of Members' Interest

There were no declarations of Members' interest.

3. Minutes and Matters Arising

The Minutes of the Audit Committee meeting held on 18 March 2024, were **approved** as a true and accurate record, however the Director of Governance was asked to update the attendees as these were not recorded accurately.

Matters Arising:

- The Clerk will upload a copy of the Internal Audit Schedule to Trust Governor. **Actioned 20 March 2024.**
- VH will ascertain staff turnover and attrition figures and report back to this Committee – **Actioned - 17.1%.**
- Recommendation that the May Strategy Day include:
 - Consideration of an Opportunity Register to assist with risk mitigation – **Actioned 14 May 2024**
 - Key KPIs – **Actioned 14 May 2024**

All papers referred to herein had been uploaded to Trust Governor, prior to the meeting.

4. Fraud, GDPR and RIDDOR Reportable Incidents

VH confirmed that there had been no reported fraud issues since the last meeting.

5. Financial Statements/Regularity Audits

VH presented the External Auditors Report on behalf of Wylie and Bissett. VH advised that the report sets out the audit approach adopted. VH wished to note the update to the Risk Areas on page of the report and to confirm that draft final accounts and annual report will be presented to Audit in November, with final accounts presented to Board in December for signing.

VH confirmed that there are no changes to the audit approach or scope for 2023/24 and the fieldwork will commence 30 September 2024.

6. Internal Audits

HR Health Check

Validera confirmed that the HR Audit outcome was adequate, with 4 findings of areas for improvement. These were as follows:

1. Pre-employment checks – 5/10 sampled did not have their check completed prior to starting work and 1/10 sampled had the start date field entered with a job title, making it unclear as to when the starter checks need to be completed.
2. Statement of employment – 1/10 sampled new starters did not have a signed contract on file and 3/10 existing staff sampled did not have a signed copy if their contract held on file, 1/10 staff member had to request a contract.
3. Mandatory training – one part time member of staff had not completed mandatory training in safeguarding and Keeping Children Safe for over 2 years.
4. Return to Work Documentation – within a sample of 10 RTW interviews, 3 documents were not signed correctly.

Validera confirmed that the HR team had processes in place and the above findings were being rectified.

CHALLENGE: A Member queried whether the HR team has enough resources due to the findings from the audit and paperwork not being completed accurately. Validera confirmed that the above findings were not due to the HR being under resourced. With regard to the unsigned contract, this related to an employee who had been with the organisation for a number of years (early 2000's). VH added that in relation to the staff member not completing the mandatory training, this was an online assessor who worked remotely and was not in contact with students on site, therefore ensuring completion of mandatory training was a challenge.

Campus Management Report

Validera confirmed that the Campus Management Audit outcome was adequate, with only two areas for improvement as follows:

1. Carbon Management Plan commissioned by the College has not fed into budget planning – the College had received a Carbon Management Plan/Heat Decarbonisation Plan in June 2022
2. Potential for improvement to access controls across the site – during the audit process, learners were observed accessing the main building with no access controls or challenge in place of learners not wearing lanyards.

VH commented that the Carbon Management Plan was carried out in response to a requirement on the Institute of Technology project. The plan identified significant estate work across the site, however currently there are no funds available in order to complete these works. External funding would be required. A programme of replacement LED lights has commenced. VH added that the Head of Estates utilises a PPM tracker in order to inform budgets year on year against required estates works.

The Chair added that all staff at the College are trained and are aware of the lanyard policy and are required to challenge all students who are not wearing a lanyard.

Risk Management Audit

Validera confirmed that the Risk Management Audit outcome was adequate, with four areas for improvement as follows:

1. Collapse Policy, Procedure and Appetite Statement into a single document
2. Incorporate Treat, Transfer, Tolerate and Terminate into Procedure
3. Improve content and presentation of Risk Register
4. Embed Risk Appetite.

Validera confirmed that the College's Risk Register meets the required expectations, however advised that controls in place only reduce the likelihood of the risk occurring but rarely reduce the impact and therefore the college needs to ensure these are scored correctly as some appear to be under-scored for example Health and Safety.

The Chair commented that the Risk Register is an active document and is subject to change. The Chair added that the document is clearer now it has been reduced to 12 risks. VH commented that the Risk Register is now in a usable format both for the Risk Management Group and governors but further work could be done to develop it further if users felt it was appropriate.

Follow Up Audit

Validera confirmed that the 22/23 internal audit reports had been reconciled to the Tracker and shared that all recommendations had been captured providing substantial assurance. 24 internal audit recommendations were reported during 21/22 and 22/23 and 22 of those recommendations have now been implemented. No further areas of improvements have been identified.

Validera queried whether any Members have any questions relating to the Progress Report provided to the Committee. No questions were posed.

Validera requested that the meeting be arranged to meet with Annika Farrar and VH prior to 12 July 2024.

7. Schedule of Outstanding Recommendations

VH presented the tracker and advised that following the follow up audit recommendations from 2022/23 can now be removed and have therefore been marked as completed. These will be removed from the tracker going forward. VH advised that there were two outstanding recommendations relating to password security and data audits, however these are on schedule to be completed by the end of the year.

Recommendations from outstanding audits (Student funding) will be added once complete.

8. Risk Management

VH confirmed that the Risk Management Group has met recently and reviewed the Risk Register. VH referred to item 6 on the register which had previously been escalated, due to recruitment in one curriculum area being a challenge. VH confirmed that new staff have now been recruited and therefore the RMG felt this could be reduced.

VH referred to Item 11 of the register and confirmed that following the internal audit, impact was re-graded as high.

VH confirmed that all risks rates were reviewed and all risks will be carried forward to 24/25.

VH advised that potential emerging risks are currently AI and Local Authority payments not being met, however added that the College have had no issues with payments to date. VH advised that these were discussed at the RMG meeting and whilst they were identified the group did not feel they warrant a separate risk and were of a strategic nature at this point but will continue to be monitored.

VH advised the Committee that the risk in relation to loan covenant is to be removed from the risk register, as the bank have confirmed that the measure will be removed from 2023/24 onwards.

CHALLENGE: A Member queried how the bank would track the loan repayment without the measure in place.

VH confirmed the College have never defaulted on the loan payments. The risk is also reduced now Colleges have moved under the DfE. The College still have a requirement to provide the bank with quarterly management accounts.

9. Date and Time of Next Meeting

Tuesday 12 November 2024 at 9:30am

The Chair wished to thank VH for her contributions to the Committee and the College.