

REASEHEATH COLLEGE BOARD
AUDIT COMMITTEE MEETING

Minutes of the meeting held on 10 July 2024 at 1pm
Via MS Teams

Present: Gary Crowe (independent, Chair) GC
 Peter Green (independent) PG
 Fran Johnson (external, co-opted) FJ
 Mike Gorton (independent) MG (*item 2.8 onwards*)

In attendance: Alex Hire (RSM) AH
 David Hoose (Forvis Mazars LLP) DH
 Marcus Clinton (principal) MC
 Graeme Lavery (vice principal finance and resources) GL
 Paul Spearritt (vice principal curriculum and quality) PS
 Jackie Schillinger (head of governance) JS

The start of the meeting provided an opportunity for the Committee to discuss any matters with the College Auditors without the presence of senior management.

PART A unless stated

item	Content
1.	Standing Items
1.1	Apologies were received and accepted from Evelyn Davies-Jones and Karol Bailey. There were no declarations of interest made to the meeting.
1.2	RESOLVED: The minutes of the meeting held on 21 March 2024 are approved as a correct record.
	Corporation Core Function Accountabilities
2.	Exercising effective control to ensure that funds and assets are protected, your organisation remains solvent and legal obligations are met.
2.1	RESOLVED: On consideration and review of the reporting, the External Audit Strategy Memorandum is recommended for approval
2.2	RESOLVED: Following review and clarification on changes in this year's self-assessment, the College Regularity Self-Assessment Report is recommended for approval.
2.3	RESOLVED: The internal audit plan progress report is received for substantial assurance that the plan has been completed in 2023-24.
2.4	RESOLVED: The Internal Audit Follow Up Report is received, and the committee welcomed the good progress reported. On sample size for work placement follow up, assurance was sought and received that this would be sufficient and reviewed as soon as the implementation date has passed.
2.5	RESOLVED: The 4Action Internal Audit Tracking Report is received for assurance on progress on the college implementing audit actions in a clear format, with acknowledgement that the completion of the counter fraud audit actions will be reported in full in the next meeting.
2.6	RESOLVED: The Counter Fraud Strategy and Fraud Response Plan are approved.

2.7	Internal Audit Report – Framework for Prevent and Safeguarding (reasonable assurance): AH provided an overview of the report findings. The committee sought and received positive assurance that the points raised on the single central record, social media checks and prohibition checks are completed and in place. Discussion on benefit of outsourcing opportunities for social media checks took place and PS confirmed he would consider this and what other peer organisations have done. In response to a query on the ‘best practice’ points made, PS confirmed that the college does consider these points against its current practice and implement where improvements can be made. In relation to the point made on separate policies for safeguarding and prevent, PS noted that the college follows Cheshire East policy guidance and there are no issues with the current college practice where they are covered in one policy with Prevent policy supported by the Prevent risk assessment and action plan. PS confirmed the college has taken on board feedback from staff in developing its approach.
2.7	Internal Audit Report – T Levels Funding Compliance Arrangements (advisory review). AH took members through the key points in the advisory review. The committee discussed the identification of some exceptions on timetables and industry aims being recorded in ILR, covered in the one management action to ensure hours are recorded correctly. GL provided context for the review, explaining that the timetable recording exceptions related to the T Level Agriculture where the college sought and received funding body approval for the T Level with an industry placement year and is the only college that has a middle industry year, meaning that the T level funding regime over two years is more complex for the college to manage. GL explained the plans in place to record activity for that middle year placement and assurance was taken that the timetable issue was related to the industry placement in Agriculture, rather than a wider issue, and has an agreed solution.
2.8	Internal Audit Plan for 2024-25: AH introduced the draft plan and strategy for review and recommendation to the Board for approval. GC highlighted the discussions held with internal auditors, management and members of the audit committee in drafting the plan, noting those areas considered in detail but not included on the annual plan, with a view that these be covered in the following couple of years. The committee noted the discussion on health and safety assurance in the next agenda item and that this area has been included in the plan for 2024-25.
2.9	RESOLVED: The internal audit strategy and internal audit plan for 2024-25 is recommended to the Board for approval.
2.10	Part B - Health and Safety Processes: The committee considered the external report and the contextual summary presented by GL and MC. All acknowledged that the college had responded well to the RIDDOR incident and welcomed the wider college review including this external audit, which made a number of recommendations that were accepted by the executive team to drive improvement in process and culture. The committee considered oversight of this area going forwards and recommended an option for the Board to consider at its forthcoming meeting.
2.11	RESOLVED: The committee recommends that the Board consider the benefit of: <ul style="list-style-type: none"> • A Board level oversight working group reporting to this committee with membership to include governors, management and an external representative to oversee the health and safety action plan in relation to process and culture. • The RSM audit planned for 2024-25 could be considered in two parts to ensure early progress is made as well as a more complete audit later in the year; and • The external expert be invited to re-assess against the original scope to measure impact at an appropriate time.

3.	Setting and Communicating the College Strategy and Goals – Strategic Risks
3.1	<p>Risk and Irregularities Report. The committee considered risk reporting from the other committees as well as direct risk review reporting from the executive and considered the level of assurance on the effective management of risk for the ten strategic risks. Risk areas reported from executive directly to the committee were</p> <p>SR 10 Legal and Regulatory – No irregularities were reported to the meeting</p> <p>SR 8 Safeguarding and Wellbeing – the committee had reviewed the RSM audit report on safeguarding made to this meeting, which provided reasonable assurance, whilst noting that the termly safeguarding, prevent and wellbeing report is made directly to board at its forthcoming meeting, where assurance would also be considered.</p> <p>SR 9 Health and Safety – Following consideration of the health and safety agenda item in this meeting, the committee considered it was partially assured, in that the external audit message had landed and had been accepted overall by the executive. The actions once complete would move this assurance towards substantial. To this end, the governance oversight mechanism had been discussed and an oversight working group of the Board, with governor, management and external representation recommended, reporting into the audit committee.</p>
3.2	<p>RESOLVED: The committee reports assurance levels following review of strategic risk across the committee system:</p> <p>SR1: Financial Management and Targets: Substantial Assurance: within risk appetite</p> <p>SR2: Financial Sustainability: Substantial Assurance: within risk appetite</p> <p>SR3: Quality and Student Outcomes: Substantial Assurance: HE and Apprenticeships within risk appetite. FE outside tolerance for risk appetite but positive direction of travel with a presentation to Board on the impact of interventions.</p> <p>SR4: Strategy and Leadership: Substantial Assurance: within risk appetite</p> <p>SR5: Curriculum Skills and Stakeholders: Substantial Assurance: within risk appetite</p> <p>SR6: Infrastructure and Resources: Substantial Assurance: within risk appetite</p> <p>SR7: People: Substantial Assurance: within risk appetite</p> <p>SR 8 Safeguarding and Wellbeing: Reasonable Assurance: within risk appetite</p> <p>SR 9 Health and Safety: Partial Assurance: outside risk appetite, with recommendation made to the Board on governance oversight.</p> <p>SR 10 Legal and Regulatory: Substantial Assurance: within risk appetite.</p>
3.3	<p>Annual Risk Management Report and Policy: The committee reviewed the report and welcomed the inclusion of a refreshed risk appetite approach following the Board strategy session in May 2024. Members considered the risk movement over the year, the link to the new strategic plan and the risk appetite statement and optimal and tolerable risk positions for each strategic risk. The committee was content to recommend the annual report and the risk management policy to the Board for approval.</p>
3.4	<p>RESOLVED: The Annual Risk Management Report and Risk Management Policy is recommended for approval.</p>
4.	Closing items
4.1	<p><i>In the absence of College Auditors</i></p> <p>College Auditors: Annual Re-appointment: The committee considered the performance of the auditors, with reference to the following key performance indicators set out in the report; Compliance with professional standards (incl. independence); value for money; quality and relevance of the audit plan; appropriateness of the skills, knowledge, and experience of the audit team; timeliness and appropriateness of the audit reports and recommendations; and attendance</p>

	at audit committee meetings. Assurance was provided via the strategy memorandum and the internal audit plan on auditor compliance with professional standards including independence. Members considered the working relationships with the auditors continue to be effective. It was noted that next year the audit services would be re-tendered.
4.2	RESOLVED: The committee recommends the annual re-appointment of external auditors, Forvis Mazars LLP and internal auditors, RSM.
4.3	There was no other business reported to the meeting.
4.4	<p>Committee evaluation against the terms of reference and cycle of business: The committee had the opportunity to consider its work over the year mapped against its terms of reference (TOR). Members considered that the committee had covered its responsibilities under its TOR within its cycle of business. Looking ahead, members suggested the following areas to be covered in the year's cycle of business:</p> <ul style="list-style-type: none"> • Procurement Act impacts, as updated on the RSM briefing provided to the meeting • Cyber fraud development for committee/board. • AI development session for the committee/board. • Health and Safety oversight via the working group reporting into the committee.
4.4	RESOLVED: The committee Terms of Reference are recommended for approval.
4.5	RESOLVED: The date of next meeting was confirmed as Thursday 28 November 2024 at 11am, with a short lunch followed by a short afternoon session.

The meeting closed at 3.00pm.

Approved as a correct record 28 November 2024

Gary Crowe (Chair)