

CORPORATION BOARD of UNITED COLLEGES GROUP
Minutes of the Audit Committee
Monday 07 October 2024 6 pm – by Zoom

Members Present: Derrick Betts (Chair), Stephen Grainge, Andrew Dowsett, Amish Nathwani, Grainne Brankin.

In attendance: Zoë Lawrence, Paul Hardman (Head of IT)*, Paul Goddard (Scrutton Bland)*

*for relevant agenda items only

1	<p>Welcome and apologies for absence DB welcomed everyone to the meeting. There were no apologies.</p>
2	<p>Declarations of Interest in the agenda items There were no declarations of interest.</p>
3	<p>Minutes of the Audit Committee held on 10 June 2024. The confidential and non-confidential minutes were approved as an accurate record.</p> <p>Matters Arising See Confidential minutes.</p>
4	<p>STRATEGIC</p> <p>i. Strategic Plan AT sought the Committee’s views on the current version of the strategic plan which had been shared in the papers. It was noted that the plan was for a wide audience and had been shared with internal and external stakeholders for comment and input in its development. SG said that he had been involved in a governor sub-group to develop this strategy, so it was familiar to him. He expressed concern at the potential expense of the IT developments and references to smart campuses. AN welcomed the strong statements it contained and sought that there were specific targets and measures in the balance score card to support the strategy. AD made some comments on the visual designs and images. DB sought that the document be kept alive and useful and suggested that it be reviewed on an annual basis to make sure that holistically it was still relevant, and progress was being made each year, with clear links to the BSC. AT thanked members for their comments which she would feedback.</p> <p>ii. Audit Committee Annual Report 2023/24 ZL had prepared the first draft of this report for the committee’s comments and additions. Members provided a range of comments and improvements to the report which ZL would incorporate for the next version to be review on 2 December before being approved by the Corporation.</p> <p>iii. Risk Register AT presented the strategic risk register of risks above tolerance level. She highlighted the movement since the previous version which included a new finance risk on the amendments to the banking covenants which required approval from the DfE. Recruitment of staff had reduced in risk from the PCG risk register though this was inconsistent with SEO risk register which still included this for ECBE and some hard to</p>

	<p>recruit to areas of provision. Staff engagement continued to be a strategic risk from the governance risk register. Members noted the risk register.</p> <p>iv. Deep Dives for 2024/25 Members discussed the deep dives that had taken place in prior years and the priorities and risks going forward. It was agreed that the deep dive for the March meeting would be the IT and MIS risk register, and the Business Development and Subcontracting would be for the June meeting.</p>
<p>5</p>	<p>INTERNAL AND EXTERNAL AUDIT</p> <p>i. IA Reports</p> <p>a) ESFA Student Funding & Bursary PG reported that this was the final audit of 2023/24 academic year and had been conducted in May. The outcome was significant assurance. He commented on the high level of compliance in a complex area, the diligence and knowledge of the finance team, and the clean and rigorous controls in place. There were 2 low risk recommendations made on the apprenticeship elements and actions have been put in place to remedy these. AT said that this audit had been very helpful as it gave a level of assurance to the EA. This audit would be completed annually.</p> <p>b) Cyber Security Audit See Confidential minutes</p> <p>c) Internal Audit Annual Report PG said that this provided a summary of 2023/24 internal audits and an overall opinion covering 4 areas. These were green in all cases, though the incompleteness of some of the prior year's recommendations was noted. Overall, in the year there had been the same number of recommendations as the prior year, though at a lower level. He thanked AT for the collaborative approach to conducting the work.</p> <p>ii. Follow-up Recommendations – review Members discussed the level of completion of previous audit recommendations as set out in the table in the paper. SG asked PH if he was confident that the revised dates for the cyber security recommendations could be met. PH confirmed that the roll out of SIEM had been delayed due to enrolment but otherwise it was on track. Members discussed the recommendations in relation to business continuity planning, that the plan was being revalidated in line with more detailed impact assessments, and this work was ongoing but as yet unfinished. AT mentioned that the recommendations were reviewed regularly at senior level meetings with cross college membership.</p> <p>iii. Internal Audit Plan 2024/25 PG highlighted the change in the plan from the previous meeting which replaced the Gatsby and Careers IA with student attendance and retention. This incurred an additional day on the plan. SG commented that the property project was a significant risk and whether an aspect of this should be included in the plan. Members noted the already strong governance arrangements around the project which included a project board, the Property & Infrastructure Committee, Finance Committee and Corporation. GB commented that the timing of any audit would need to be considered and there may be benefit in waiting until there was more certainty in certain areas. The Committee agreed to include an internal audit on the Wembley Project for this time next year and not to include it in this year's plan.</p>

	<p>iv. Re-tender for external auditors 2024/25</p> <p>AT reminded the committee of the premise of the current EA appointment, that they were appointed in 2021 for an initial period of four years. The ACOP requires that EA are re-tendered every 5 years. Buzzacotts were the incumbent audit provider at the last re-tender so to retain independence the audit partner and manager were changed. AT said that the audits had become increasingly complex with increased focus on irregularity since the ONS reclassification of colleges in 2022. She also thought that the impact of the pandemic had increased the level of remote work. This year information was being provided to the auditors earlier and the fixed asset register was included on the new finance system. The relationship with the EA had always been an open one though at times there had been challenges on regularity issues. DB said that he thought it was timely to re-tender for EA because Buzzacotts were also the previous auditors. It was also an opportunity to ensure UCG was achieving best value. It was noted that this timing would also mean that the re-tenders for IA and EA would be staggered. AN asked about DB's discussions on the audit fees presented at the previous meeting. DB said that this was in line with cost recovery and inflation. AD offered some suggestions on managing the process with the auditors. The Committee were in agreement to re-tender for external auditors this academic year for the new contract to start for YE 31 July 25. This would mean that the tender process would take place in the Spring term and the new auditors would present their audit strategy at the June meeting. AT and ZL would agree a timeframe for taking this forward.</p>
6	<p>AOB <i>(Reports circulated in advance)</i></p> <p>I. Health and Safety Annual Report 2023/24</p> <p>This was a summary of the termly reports from 2023/24 and was for information. AN asked if the recommendations from the fire risk assessment were being addressed. AT confirmed this and that they were reviewed at termly H&S Committee meetings.</p>
7	<p>Date of next meeting Monday 02 December 2024 (Joint with Finance and Resources Committee)</p> <p>Meeting closed at 8.00pm</p>

Minutes taken by Zoë Lawrence 10 June 2024

ACTIONS

REF	ACTION	LEAD	STATUS
3	To find out the internal controls on the submission of assessment results to awarding bodies and report back.	ZL	
4ii	ZL to incorporate members comments into the Audit Committee Annual Report and prepare the next version for the December meeting.	ZL	
5iv	To develop and take forward the tender process for external auditors.	AT/ZL	

SIGNED:

Date:

Derrick Betts, Chair