

**CORPORATION OF HULL COLLEGE
AUDIT COMMITTEE**

**Public Minutes of the meeting
held 14th June 2023 via Teams**

MEMBERS PRESENT:		Ally Brooks David Flatters Joanne Masterson	Governor and Chair of Audit Committee Governor Governor
IN ATTENDANCE:		Rosalind Armstrong Debra Gray Richard Lewis Catherine Sykes Gino Tommasi	Audit One (Internal Auditor “IA”)) Principal/CEO RSM (External Auditor (“EA”)) Director of Governance Vice-Principal Finance & Corporate Services “VPF&CS”
Min. No.			
OPENING ITEMS			
47	Apologies For Absence Apologies for absence were received from Rachel Storr (Governor) and Wayne Brown (Audit one – Internal Auditors).		
48	Declarations Of Interest None		
49	Minutes of the Audit Committee Meeting held on 15th March 2023 Resolved – That the minutes of the meeting held on 15 th March 2023 be approved as a correct record.		
50	Matters Arising Governors received an update on the actions identified at the previous meetings of the committee were complete.		
INTERNAL AUDIT			
51	Safeguarding Compliance Report The Internal Auditor presented their report on the compliance-based review on Safeguarding. It was confirmed that 34 requirements from the Keeping Children Safe in Education & Ofsted frameworks were tested, with evidence samples provided and testing of those samples as needed. It was confirmed that of the 34 requirements, 34 were compliance. The IA noted there were 5 low grade recommendations related to enhancing current processes within the Colleges processes and procedures, risk assessments, centralised tracking of H&S and near misses, and Safer Recruitment training records. In response to a member’s question, it was confirmed that the provided dates for Target Implementation were correct and that targets past their date had been completed, and reviewed as part of the College’s internal audit meeting process. The Chair of the committee requested whether any areas of the audit provided evidence of outstanding practise, the IA confirmed to review the report and report back any areas of best practise to the committee.		
Action: IA			

	<p>Governors commended the level of green in the report and the College's compliance with this key area. In response to a member's question, it was confirmed that the follow up report would review all of the recommendations made, however the overall assurance level would not be amended. It was confirmed that the follow up report would identify where recommendations had been completed and offer an overall assurance level of the IA work in year with cross references to completed recommendations in each of the individual audits.</p> <p>Members discussed the College ambition to become outstanding across all areas, and questioned what else could have been achieved to receive a substantial assurance. It was confirmed that the tightening of College's attention to detail of its processes and mechanisms, particularly around policy and procedures would enhance this rating.</p> <p>Members concluded a strong result in an important area and reflected the efficient actions taken to complete the identified recommendations.</p>
52	<p>Progress Update on the Internal Audit</p> <p>This matter is subject to a separate and confidential minute.</p> <p><i>At this point Rosalind Armstrong Audit One (Internal Auditor) left the meeting.</i></p>
FINANCIAL STATEMENTS AUDITOR	
53	<p>ESFA Funding Audit and progress on the Financial Statements year ended July 2022</p> <p>This matter is subject to a separate and confidential minute.</p>
54	<p>External Audit Plan Year Ended 31st July 2023.</p> <p>The External Auditor presented their Audit Plan for the year ended 31st July 2023. He highlighted the areas to bring to the attention of the committee's attention.</p> <p>It was confirmed that the audit approach will focus on those areas of the business that are considered significant to the results for the period and the position at the balance sheet date in respect of the reporting on the financial statements including the use of funds as required by the Office for Students.</p> <p>It was noted that due to the reclassification of further education Colleges the FRC Revised Going Concern has resulted in enhances risk assessment and greater challenge and work effort to be undertaken as part of the EA. It was identified that the key risks, set out from the preliminary risk assessment, are:</p> <ol style="list-style-type: none"> 1. Income recognition 2. Management override of controls 3. Defined benefit pension liability 4. Going concern 5. Capital grant Funding <p>The IA noted that in relation to the proposed fees, they reflect the work required this year as a result of the changes in the scope of the regularity reporting given the reclassification of FE Colleges to the public sector on 29 November 2022. Additionally, the impact of changes to the International Standards on Auditing relevant to the current year. The total proposed fees for the year ended 31st July 2023 were confirmed. Members had no questions on the plan for the EA.</p> <p>Resolved: To recommend to Corporation the approval of the External Audit Plan for year ended 31st July 2023.</p>

55	<p>Emerging Issues Report</p> <p>The External Auditor provided their Emerging Issues report which it was commended to share with all management and member of the Corporation.</p> <p style="text-align: right;">Action: Dir of Gov</p> <p>Members were highlighted to the addition of the approval of any Novel or Contentious Transactions by the DfE, and for approval of HM Treasury of any remuneration for appointments over the £150k or performance related pay above £17,500. In addition, the focus on environmental, social and governance (ESG) and the increasing risk relating to recruitment fraud.</p> <p>Members noted the usefulness of the report in relation to their role of Governors.</p>
MANAGEMENT COMPLIANCE / AUDIT WORK	
56	<p>Fraud and Irregularity Report</p> <p>The VPF&CS presented his report confirming that there were no incidences of fraud or irregularity at the College. It was confirmed to Governors that due to the reclassification of colleges into the public sector, colleges and their subsidiary companies must meet the requirements in HM Treasury's document, 'Managing Public Money' ("MPM").</p> <p>It was confirmed that in March 2023, the College was required to submit an additional regularity assurance report due to the ESFA for the financial year end of 31st March 2023 and college financial year end 31st July 2022. This was submitted as 'Nil'.</p> <p>Members were pleased to see the tightened regulations within the College.</p>
57	<p>Risk Register</p> <p>The VPF&CS presented his report confirming that since the last committee meeting there had been two risks increased and one additional risk added to the register. It was confirmed that controls had been put in place for each risk.</p> <p>Regarding GDPR and Cyber, it was confirmed that the September meeting of the Committee would include a progress report on GDPR and Cyber Security controls, including the policies and procedures related. It was considered that this was updated to the Corporation meeting May, and that the updated were due to resourcing in these areas and not due to breaches or reportable incidences. It was confirmed there were no breaches or reportable incidences to the ICO.</p> <p>The EA noted a focus on the H&S and Estates management of risks in education currently and this may be worth addressing in the risk register in addition to the item included on the HSAD roof. Furthermore, Cyber Security and Subcontracting Standards relating to going concern also remain a risk.</p>
58	<p>Internal Data Control</p> <p>This matter is subject to a separate and confidential minute.</p>
POLICIES	
59	<p>Bribery Policy</p> <p>The VPF&CS presented the update to the policy. It was noted that it has been reviewed with consideration of the reclassification of colleges and the MPM to ensure compliance.</p>

	<p>Members noted suggestion of additional detail, including examples of the levels of bribery and being clear on levels and thresholds. Additionally, consideration was given to using the term 'legal advice' and it was suggested that this should be advice from the VPF&CS.</p> <p>It was agreed that these additions would be included and amended ahead of being presented to the Corporation for approval.</p> <p>Resolved: To recommend to Corporation the approval of the Bribery Policy with the suggested amendments.</p>
60	<p>Fraud Policy</p> <p>The VPF&CS presented the update to the policy. It was noted this included the inclusion of ensuring any fraud identified was reported to the ESFA and Government. It was noted that the thresholds within the DfE bitesize guides and the MPM were different and should be checked to ensure the policy is in line with the DfE bitesize guide. It was agreed this would be completed.</p> <p>Members proposed some additional comments on the policy, including the consideration of pension fraud, ensuring clarity on the term personal use, money laundering and some minor title changes.</p> <p>It was agreed that these additions would be included and amended ahead of being presented to the Corporation for approval.</p> <p>Resolved: To recommend to Corporation the approval of the Fraud Policy with the suggested amendments made.</p>
COMMITTEE SELF-ASSESSMENT	
61	<p>The Director of Governance noted that as part of the work to self-asses the Corporation, the feedback from the committees on their own effectiveness was vital. It was confirmed that as there would be an extraordinary meeting, the committee members would be asked to complete a short survey and a report would be provided to the extraordinary meeting of the committee for discussion.</p> <p style="text-align: right;">Action: Dir of Gov</p>
CLOSING ITEMS	
62	<p>Any Other Business</p> <p>There were no items of business, however the committee reflected the hard work put in by all staff and the relentlessness of the ongoing audits and thanked them for their efforts and continued commitment.</p>
	<p>Date And Time of Next Meeting</p> <p>Additional meeting to be arranged to consider final internal audit reports, funding audit status and committee effectiveness.</p> <p style="text-align: right;">Action: Dir of Gov</p> <p>21st September 2023</p>

Approved by the Audit Committee at the meeting held on 22nd August 2023