

Minutes of the meeting of the Audit Committee held via Teams on Thursday 21 March 2024 at 16.30

Present:

Iain Springate	Chair of Committee
Andrew Champion	External Governor
Neil Sherman	External Governor
Mark Tibbert	External Governor
Rob Nicholls	External Governor

In attendance:

Joanna Boardman	Director of Governance and Director of Executive Operations
Bill Blythe	Vice Principal Finance, Resources and Regional Affairs
Claire Isaac	Head of Finance
Alex Farmery	Executive Officer (minutes)
Adam George	Auditors – RSM
David Broughton	Auditors – RSM

1. Apologies for Absence

Apologies were received from Sean Mackney.

2. Declaration of Interests

No declarations of pecuniary or non-pecuniary interests were made in respect of the items on the agenda.

3. Confidential Items

Confidential items as per the agenda

4. Matters Arising

No matters arising.

5. Matters brought forward by the Chair

No matters were brought forward by the Chair.

6. Minutes Approval

23AC15/16/17

The minutes for the Audit Committee meeting of 28 November 2023, joint committee meeting 28 November 2023 and relevant confidential Audit committee minutes were approved.

The Committee thanked Rob Nicholls for his time and commitment over the last few years and acknowledged that he would retire from Board and Committee on the 31 March 2024.

7. Reports

7.1 To note IAS progress reports

23AC18

The Auditor reported that 2 more audits had been concluded since the last meeting, being on target to complete all 5 Audits by June. The report also included the highlights from these two audits, progress against the internal audit plan 2023/24 with audit opinions, key

performance indicators for the audit team and FE sector benchmarking information and Emerging sector risks. .

The committee briefly discussed the colleges new approach to the internal audit reports, meaning the reports get presented to CLT before finalising, which will have an impact on timelines and hence needs to be factored into these. This would also place a greater strategic ownership on the outcome of the actions, a better understanding and a collective accountability. The Auditors were asked to build in an extra two weeks into the reporting timelines to allow for this change.

7.2 To note IAS Audit Reports

7.2.1 Student Attendance

23AC19i

RSM noted that two Internal Audits had been completed and both reports provided to the committee.

The Student Attendance Audit found a number of issues in the college's approach to attendance management, such as:

- Discrepancies between the Learner success standards framework and the Attendance and Punctuality Policy
- Lack of contact with students and parents
- Testing showed that the process outlined in the Learner success standards was not followed
- Role of the PDCs (Personal Development Coaches) in the attendance management process
- Implementation of a new register system at the beginning of the Academic year

Resulting in a partial assurance opinion with 7 Management Actions, 3 low, 2 medium and 2 high priority.

However, RSM acknowledged that the college had identified those weaknesses and commenced a review to address these and identify improvements.

The committee raised a few questions:

Q How close was the college to a minimal assurance opinion on this audit?

A If some of the actions had not already been identified by the college and started implementation, then it would have most likely ended a minimal assurance audit opinion.

Q Did some of the issues come as a surprise to the college?

A Not at all, there was awareness and concern around this already amongst colleagues and Executive Leads. The college had changed its processes, but the accompanying documentation had not been adjusted accordingly, this is now underway.

Q Have the college set up a policy that is impossible to deliver?

A The college recognises that it will need to deploy additional and different resourcing towards these issues. The PDCs will require assistance with their tasks from the Academic staff and faculty admin staff.

It was reported that the Study programme policy 24/25 and timetabling guidelines will suggest better processes for students to attend.

It was suggested to ensure a better structure to the college day with sessions that are core to the student's perception of their future. Attendance was recognised as poor in the sector and work was needed to persuade students to want to attend school/college across the country.

It was noted that the college was currently conducting an Educator Workload review.

Q Does any other committee follow up on Attendance?

A The Curriculum and Quality committee regularly monitored attendance.

Q Are any income streams at risk due to poor attendance?

A The committee was reassured that attendance is not a funding factor however retention was. It was explained that usually students with low attendance would eventually drop out without intervention from the college.

The college would lose funding for any learners that do not complete their course.

The Curriculum and Quality committee were monitoring attendance, retention and progression.

It was noted that the Text messaging function to inform parents of student's absences has now been enabled and will be operational and implemented after the Easter Break.

The issue had been with the supplier of the new register system.

7.2.2 Academic Quality Framework

23AC19ii

It was reported that the audit review was undertaken to consider the academic quality framework and its associated policies, procedures and responsibilities.

It was noted that great controls were in place with a reasonable assurance opinion and only 3 Management actions to:

- Define a number of lesson observation moderations and their follow up
- Review Quality Performance Reviews process
- Establish a central list of identified programme leads

7.3 To note the College Audit Monitoring Report

23AC20

It was reported that the auditors were currently carrying out the Follow up audit after which a number of completed actions would be signed off as completed and can be removed from the report.

It was noted that there was now a better system in place with the college Leadership team to monitor all outstanding actions and regularly update the report.

A recent IT failure was briefly discussed, where the whole college had been without WiFi for a number of days. This highlighted additional risks for the college, however the committee was assured that the problem had been caused by a third party supplier and had now been resolved and controls put in place to avoid a repeat failure. The Risk register had been reviewed and updated accordingly following this incident.

The executive team were confident that with the new Head of Digital in place since September 2023 any outstanding IT actions in the report are being completed timely and are all in hand.

7.4 To note any additional work undertaken by IAS/EAS

N/A

7.5 To review and discuss Strategic risk monitoring and Board Assurance Framework

23AC21

The paper was taken as read and noted, with the following changes/risks highlighted by the CGCEO:

- The addition of a strategic level risk focused on the impact of poor attendance

- The separation of the original business continuity risk SR3 'Petroc is unable to operate for an extended period of time' into two individual risks, one focusing on the estates element (SR3) and one on the digital element (SR12).
- SR8 saw an increase in risk score as the apprenticeship provision is being closely monitored by the DfE (Department for Education)
- SR1 as primary risk on the register is being monitored via an action plan and with the support of the DfE and FEC (Further Education Commission)
- SR1, SR8 and SR12 rag rated RED
- 4 risks rag rated AMBER – SR4, SR5, SR11 and SR13
- All risks are being monitored closely, an update will be provided to Board in April

7.6 To review and discuss KPI Updates

23AC22

It was noted that the colleges KPIs are annualised and not much progress could be reported at this point. With two RED rated KPIs where not much progress at all was possible.

Two red KPIs were reported unlikely to achieve the target:

1. To be ranked in the top 25 General FE colleges in England in a weighted composite ranking of FE and HE educational performance
2. The number of enterprises created through entrepreneur development and support services increases to 150 per annum

It was queried if the college had looked to rebase any of the targets after Covid and it was confirmed that this was not the case as at the time no benchmarking data had been available. However, the KPIs had been reviewed this year and were linked to the current strategy which will be reviewed and renewed next year (2025), at which point the KPIs will be changed/updated accordingly.

It was suggested to dial back some of the targets, make them realistic in order to drive positive behaviour.

Bill Blythe and Claire Isaac were excused from the meeting.

7.7 Review of Audit Committee & Proposed new Business

verbal

The DGDEO reported that some work had been undertaken to recommend a reshaping of the Audit committee:

- Succession plan as current chair was due to retire at the end of March 2025
- Introduce other external Audit assurance reports to this committee such as Health and Safety and Safeguarding
- Report Health and Safety breaches and GDPR breaches to the committee
- Monitor college policies
- Monitor outcome and results of the "42 days" review

Committee attendance was also discussed, and it was reported that most colleges have their Finance Director attend, but not all include their principal in the meetings. Some colleges ask Health and Safety and/or IT staff to attend to present current issues, and lead staff from recent internal audits.

The committee agreed it would be very useful to have other staff members in attendance according to what issues and audit reports were presented at the time but also to include the Deputy principal in every other meeting.

It was agreed to:

- Accept the recommendations from DGDEO
- Only include high level risks at this meeting, deep dive into one risk per meeting and have that risk owner deliver it and speak to it.
- Encourage other committees to look at their risks and feed back into Audit Committee
- Include Office for Students compliance (conditions of registration)
- KPIs should be reviewed at Board level, not committee level

The Auditors were excused from the meeting.

7.8 Membership - To note and make proposals for Chair and Membership verbal

It was reported that the chair was due to retire from their position at the end of March 2025 and the committee needed to succession plan for the vacant chair position. Any committee member interested was asked to contact the DGDEO before the end of April. It was noted that there were four new Governors starting in April and two of them will become a member of this committee, James Wright and Martin McNeill. For any members of the committee interested in the chair position, the college will offer shadowing opportunities, connection with the network and support and training will be made available.

The meeting concluded at 18.04

The next meeting of the Audit Committee is 18 June 2024.

Action Plan

Action	Completion Date	Owner	Status
Succession plan as current chair was due to retire at the end of March 2025	01/03/25	IS/JB	Underway
Introduce other external Audit assurance reports to this committee such as Health and Safety and Safeguarding	First Audit Committee 24/25	JB	
Report Health and Safety breaches and GDPR breaches to the committee - from next as line above	First Audit Committee 24/25	JB	
Monitor college policies	June 2024	JB	
Monitor outcome and results of the "42 days" review	tbc	JB	On hold
Only include high level risks at this meeting, deep dive into one risk per meeting and have that risk owner deliver it and speak to it.	First Audit Committee 24/25	JB	
Encourage other committees to look at their risks and feed back into Audit Committee	24/25		
Include Office for Students compliance (conditions of registration)	First Audit Committee 24/25	JB	

PETROC

Cyber Security monitoring plan to Chair for approval	01/05/2023	S-MC	Completed - approved by Chair 13/06/23
Recommend to Board that all committees now have action plans on the agenda	19/04/2023	JBo	Completed – approved
Executive to take more accountability on audit actions monitoring through approval of plans and regular monitoring in College Leadership Team	31/05/23	SM	Completed - Now added as standing monthly item on CLT meetings