

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

AUDIT COMMITTEE

Minutes of the meeting held virtually on MS Teams at 11.15am on Monday 9 December 2024

Membership *Ray Levy (Chair)
 *Julia Fillary
 *Michael Travers

*denotes present

In attendance Shachi Blakemore, Buzzacott
 Paul Goddard, Scrutton Bland
 Will Allanson, Deputy Principal
 Paul Whitehead, Vice-Principal
 Deanne Morgan, Executive Director – Finance
 Ben Nicholl, Executive Director – IT and Systems
 Ruth Lucas, Head of Governance

1 Apologies for Absence

There were no apologies for absence.

2 Declarations of Interest

Michael Travers declared that he is a staff governor, that his wife contributed to agenda item 6 – audit tracker and that he contributed to agenda item 9 – Regularity Self-Assessment questionnaire.

3 Minutes of the Previous Meeting

The minutes of the Audit Committee meeting held on 15 October 2024 were agreed as an accurate record of the meeting and were signed remotely by the Chair.

4 Matters Arising from the Minutes (not mentioned elsewhere on the agenda)

A Governor asked about risk management training and if this was something that is being rolled out across the College.

Paul Whitehead reported that the College could deliver more formal risk management training to all staff however it would be more pertinent to ensure that there is an open culture within the organisation, with the College being a reflective organisation which allows staff to raise any issues or concerns with managers. Management training on reflective practice is planned for the Spring Term, with a focus on having an open culture to drive improvement. Having managers and staff who are more reflective will reduce risk to the organisation.

Michael Travers reported that the Risk Management Policy has been shared with all College managers, 93% of whom have reported that they have received and understood the Policy.

5 Internal Audit

5.1 Safeguarding and Prevent Internal Audit Report

The Audit Committee received and considered the internal audit report on safeguarding and Prevent, presented by Paul Goddard, Scrutton Bland.

Governors were informed that the internal audit report on safeguarding and prevent provided Governors with significant assurance that the governance, risk management and control arrangements for the material risks reviewed are managed effectively.

Paul Goddard reported that there were lots of strong areas on how safeguarding and Prevent is managed in the College, with a lot of great work being undertaken.

Two low level recommendations have been made, one around how the Safeguarding Team is promoted across the College and one around how visitors can raise any safeguarding concerns they may have.

Michael Travers suggested that there could be a dedicated section on the College's website where pictures of the Safeguarding Team could be posted.

Will Allanson reported that since the audit was completed, the College's Safeguarding Manager has retired. Whilst there has been some change in personnel, both recommendations will be completed in December 2024.

The Audit Committee noted the internal audit report on safeguarding and Prevent.

5.2 Internal Audit Progress Report 2024-2025

The Audit Committee received and considered the internal audit progress report, presented by Paul Goddard, Scrutton Bland.

Governors were informed that two audits have been completed to date, with one being presented to the Audit Committee today and the other in March 2025. All other audits have had the dates confirmed.

The Audit Committee had the opportunity to reflect whether the internal audit plan was still relevant and it was agreed that the plan seemed sensible at present.

Deanne Morgan highlighted that there might need to be a change in the date of the HTE Annex G audit due to a change in the DfE's timescales.

The Audit Committee noted the internal audit progress report 2024-2025.

6 Internal Audit Tracker

The Audit Committee received and considered the audit tracker, presented by Deanne Morgan, Executive Director – Finance.

Deanne Morgan informed the Committee that a number of recommendations have been completed, which will be removed from the tracker, and the others are in progress.

The recommendations from the external audit will be added to the tracker.

The Audit Committee approved the audit tracker.

7 Annual Report of the Audit Committee 2023-2024

The Audit Committee received and considered the Annual Report of the Audit Committee 2023-2024, presented by Ruth Lucas, Head of Governance.

Ruth Lucas reminded the Committee that it is obliged under the Audit Code of Practice to present an annual report as part of the College's audit process and provide an opinion on its own effectiveness, how it has fulfilled its terms of reference and the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets.

Ruth Lucas highlighted the sections included in the report, the proposed Audit Committee opinion and the resolution.

The Committee agreed the following opinion of the Audit Committee:

“It is the opinion of the Audit Committee, based on the reports it has received and considered, and drawing upon the knowledge and expertise of its members and its audit services, supported by the work and views of College management, that during 2023-24 Harlow College:

- *had adequate and effective assurance arrangements;*
- *had an adequate and effective framework of governance;*
- *had adequate and effective risk management and control processes for the effective and efficient use of resources, solvency of the College and the safeguarding of its assets;*
- *had adequate arrangements for securing economy, efficiency and effectiveness;*
- *had adequate and effective key internal controls;*
- *had adequate and effective arrangements for data quality;*
- *had, overall, systems and controls that are adequate and effective for carrying forward the objectives of the College.*

The Audit Committee met in private with the internal and external auditors on 3 July 2024 and 9 December 2024 and no issues impacting upon matters of internal control were raised. Buzzacott did not identify any matters of material irregularity throughout their audit work to bring to the attention of the Audit Committee.

The Audit Committee considers that it operated effectively in 2023-2024 and that it met its terms of reference and the requirements of the Audit Code of Practice.”

Paul Goddard reported that Scrutton Bland attend many Audit Committee meetings at this time of year and not as many Annual Reports of the Audit Committee are as robust

as this one and cover all the required opinions. Paul Goddard reported that the annual report is well written and fully compliant with the Audit Code of Practice.

The Audit Committee approved the draft Annual Report of the Audit Committee 2023-2024 and agreed to recommend it to the Corporation at its meeting on 19 December 2024.

8 Risk Register

The Audit Committee received and reviewed the Risk Register, presented by Deanne Morgan, Executive Director – Finance.

The Committee noted that no risks have been added or deleted from the risk register since the Audit Committee's last review of the register.

The Committee noted that the following risks have been revised, as follows:

- **Risk 5 – Finance: Adult Skills Fund (ASF) (formerly AEB):** this risk has been amended to include the risk of not earning the full ASF contract as reflected in the October Management Accounts forecast. The score has increased from 8 to 12 as the likelihood of this risk has increased because of low Adult enrolments.
- **Risk 12 – Compliance – Failure to comply with statutory obligations:** this risk has been amended in relation to Employee 'right to work' as there has been an increase in Home Office Audits in the sector. Any errors or incorrect documentation could result in significant fines and reputational damage. The College is considering how best to carry out a review and/or audit. The risk score has not changed.
- **Risk 13 - Finances – uncertainties regarding Local Authority High Needs Funding:** this risk has been reduced from a score of 6 to 3 for 2024/25 as Essex have not implemented their new funding model, which could have meant a reduction in income for the College. In addition, there has been an increase in the number of High Need learners. The College continues to monitor and prepare for Essex's new funding model in 2025/26, at which point this risk will be further reviewed.

A Governor asked about the right to work and what this covered. Deanne Morgan reported that it is the right to work in the UK and that the onus is on the employer to undertake the necessary checks to ensure that an overseas worker has the required right to work in the UK. Will Allanson reported that this has been included on the risk register due to the College's strategy on overseas recruitment.

The Audit Committee approved the risk register.

9 Regularity Self-Assessment Questionnaire

The Audit Committee received and considered the Regularity Self-Assessment Questionnaire, presented by Deanne Morgan, Executive Director – Finance.

Governors were reminded that the self-assessment questionnaire is reviewed by the Audit Committee each time it meets and is an ESFA template. Governors noted that this report is the Autumn 2024 review and updates are shown in grey throughout the document.

The Audit Committee noted the Regularity Self-Assessment Questionnaire.

10 Fraud Report

The Audit Committee received and considered the fraud report, presented by Deanne Morgan, Executive Director – Finance.

Deanne Morgan reported that there have been no instances of fraud since the last Audit Committee meeting.

The Audit Committee noted the report on fraud against the College.

11 Data Breach Report

The Audit Committee received and considered the Data Breach Report, presented by Ruth Lucas, Head of Governance.

The Committee noted that there have been no new data breaches since the last Audit Committee meeting at the time of writing the report, however one data breach did occur since the papers were dispatched for this meeting. Details of the breach will be covered in the March Audit Committee Data Breach Report however Ruth Lucas confirmed that it was a low risk breach with swift action being taken to delete the information shared in error.

The Audit Committee noted the Data Breach Report.

12 Any Other Business

A Governor asked if cyber security incidents should be reported into the Committee. Paul Whitehead reported that this is not a formal report as the challenge would be the volume that would need to be reported. There are periods of higher and lower level hits on the College's firewall. Ben Nicholl confirmed that if any incident involved accessing data, then it would be reported on the Data Breach Report presented to the Audit Committee each time it meets. Ben Nicholl reported that there is a number of attempts to access the College's systems virtually on a daily basis, some of which are intentional, some of which are unintentional.

13 Dates of Future Meetings

Spring Term	Tuesday 04 March 2025	09.30am
Summer Term	Wednesday 25 June 2025 <i>(including joint meeting with the Resources Committee)</i>	10.15am

Following this meeting the Audit Committee met privately with Buzzacott, external auditors, and Scrutton Bland, internal auditors. The Head of Governance was informed that no issues of concern were raised.

Key Points From The Meeting For Corporation:

1. Annual Report of the Audit Committee 2023-2024

To receive and approve the Annual Report of the Audit Committee 2023-2024.