

Audit Committee

Draft

20 March 2025

Members Rachael Fisher (Chair); Suzanne Lyne; Shawez Mir; Kunal Parkash

Attendees Maxine Deslandes (Director of Finance); Matt Fawcett (Deputy Principal (Planning, Partnerships and Projects)); Sara Muir (Director of Estates and Infrastructure); Karen Redhead (CEO/Principal); Richard Ward (Director of Governance)

Keri Williamson (Scrutton Bland)

1 Attendance

The Chair welcomed members to the meeting.

2 Declarations of interest

No interests were declared.

3 Minutes

***Resolved*, That the minutes of the meeting held on 26 November 2024 be approved as a correct record.**

4 Health & Safety Report (Autumn)

The Director of Estates and Infrastructure presented the first termly health and safety report of the year. The College was interviewing for a permanent Head of Health & Safety next week, to succeed interim arrangements which had been in place for some time. There had been nine more accidents across the College compared to the same period from the previous year, and the Director of Estates informed the Committee that she would be doing further work to distinguish between incidents and accidents in the College, as near-misses were a valuable source of intelligence in preventing accidents.

A high level of compliance with health and safety training had been achieved (98%) and while the College would strive for 100%, the figures were always slightly lagged and affected by turnover in the College's

workforce. The College intended to create training resources which were specific to College buildings to further strengthen fire training. The College was also working to embed mandatory training more securely within the induction process, to reduce the potential of a new member of staff not completing essential training upon appointment.

A governor queried how College buildings were evacuated during drills, and in particular whether evacuations took place in stages or all at once. The Director of Estates confirmed that College buildings operated 'one out, all out' evacuations, and confirmed that this year's drills would take place at each site imminently. The Chair thanked the Director for providing clear assurance of the College's health and safety arrangements through her report, comments and answers to questions.

5 Subcontracting update

The Deputy Principal (Planning, Partnerships and Projects) presented an update on the College's subcontracting arrangements and performance as they stood at the end of March 2025. The level of subcontracting target was 34% of the DfE AEB/ASF allocation, below the 40% which had been agreed with the Department for Education in the business case submitted by the College the previous year. A coding error had been identified in the College's data which had resulted in Learning Curve showing as having overdelivered by £100k and was being rectified by the Management Information Systems team.

The Deputy Principal drew the Committee's attention to the fact that the Rhythm Studio (based at Hammersmith & Fulham College) had exceeded the number of learners by two, above the 60 approved by the Board. The matter had been discussed with the Managing Director of the Rhythm Studio and the CEO and Principal of the College and it was proposed that the Board be invited to vary the College's subcontracting arrangements to regularise the slightly higher number, given the marginal financial impact and absence of conflict with the College's overarching approach to subcontracting. A governor asked how the over-recruitment had occurred. The Deputy Principal explained that over-recruitment at risk was not uncommon to account for in-year withdrawals, but that adjusting the arrangements was necessary to account for the difference.

6 Risk management

The Director of Governance presented an updated strategic risk register, which incorporated changes to both commentary and in some cases scoring. The College's third strategic risk relating to the management of student data and funding requirements had been scored down so that it was now acceptable on the grounds that the Director of MIS had

completed his review of systems and processes. The College's eighth strategic risk relating to staff turnover had been rescored at both the gross and net levels, which was queried by a governor. The CEO and Principal commented that a challenging external jobs market had prompted the review. The Chair asked whether the College's was experiencing a higher level of vacancies than usual. The CEO and Principal commented that this was not the case, but that there were challenges in recruiting some specialist staff.

A governor asked how the implementation of the College's new finance system had gone. The Director of Finance reported that it had gone well, and limited teething issues had been worked through with Civica. The Chair welcomed the new graphic in the overview paper.

7 Fraud report

The Director of Finance reported that there had been no instances of fraud or suspected fraud since the last meeting of the Committee.

8 Internal audit tracker

The Director of Finance reminded the Committee that at the last meeting, it had been agreed that planned follow-up work had been brought forward in light of the large number of outstanding internal audit recommendations. Scrutton Bland had undertaken follow-up work on funding and non-funding recommendations during February.

Keri Williamson (Scrutton Bland) said that the College had made good progress in closing down outstanding recommendations. A total of 31 recommendations had been reviewed, of which 20 had been implemented and a further four were in progress or partially implemented. On seven recommendations, Scrutton Bland had found that further work was required.

A governor asked whether there were still outstanding recommendations which the College considered to be completed but remained to be verified by Scrutton Bland. The Director of Finance informed the Committee that there were only two recommendations where this was the case. Keri Williamson explained that this could be where a process had been designed but not yet embedded in practice.

On funding recommendations, seven of nine recommendations had been fully implemented. The Chair asked what College management had done to tackle outstanding recommendations. The Deputy Principal (Planning, Partnerships and Projects) explained that the College was working with the provider of the Skill Scan system to enable it to use the system in a

way which would fulfil the relevant recommendation in the way envisaged by Scrutton Bland. Keri Williamson advised the Committee that Scrutton Bland had not received the information it had been looking for from the College.

A governor queried whether recommendations initially made three or four years ago and not implemented were still a priority. Keri Williamson confirmed that this was something that Scrutton Bland was open to discussing, but it was for the College to decide on whether a recommendation was proceeded with on an assessment of risk.

The Director of Finance advised that any recommendations related to funding should be progressed as part of the internal audit process as the consequences of failing to progress them were potentially serious. On non-funding recommendations, the College had greater discretion to use. Members of the Committee commented that it was essential that outstanding recommendations were resolved, especially those which were classified as high priority. The Director of Finance asked whether the Committee would like the College to undertake further follow-up work during the academic year, which the Chair commented would be useful.

9 External audit tracker

The Director of Finance explained that the single external audit recommendation followed the successful implementation of the fixed asset module within the College's new finance system. Buzzacott had made a low-level recommendation relating to adding greater detail on the location of fixed assets within the College's three sites.

10 Appointment of internal and external auditors

The Director of Finance informed the Committee that the external audit process had been put back, but the internal audit process had now concluded. After a follow-up meeting carried out after the formal interviews with shortlisted companies, it was proposed that TIAA Ltd be appointed as the College's internal auditors for a period of three years from the start of the new academic year. Governors discussed the process and the firms' applications, and noted that the recommendation would go from the Committee to the next meeting of the Board on 1 April 2025.

11 Committee evaluation

Governors commented positively on the meeting, in particular the way in which more time had been spent on agenda items requiring more detailed discussion. The Committee discussed the mechanism by which strategic

risks were escalated to the Board when necessary. Staff members welcomed the challenge that governors had provided during the meeting.

12 Next meeting

6.00 pm on Thursday 12 June 2025.