

LEEDS COLLEGE OF BUILDING

AUDIT & RISK COMMITTEE

Minutes of the meeting held on Monday 25 November 2024 at 4.45pm, North Street, Meeting Room 1 / Microsoft Teams.

PRESENT:

Matthew Shields (MS)	Chair & External Governor
Steve Carmody (SCa)	External Governor
Rachel Lindley (RL)	External Governor
Peter Norris (PN)	External Governor

ATTENDANCE: 4 / 5 = 80% (KPI 80%)

IN ATTENDANCE:

David Pullein (DP)	Vice Principal – Finance & Resources (from AR/24/102)
Jonathan Creed (JC)	ICCA
Richard Lewis (RLe)	RSM
Sara Mitchell (SM)	Management Accountant (observer) (from AR/24/102)
Rob Holmes (RH)	Vice Principal, Curriculum, Quality & Innovation (from AR/24/102)
Jane Taylor-Holmes (JTH)	Director of Governance

Min. Ref.	Minutes	Actions
	AR/24/101 – Open discussion between Auditors and members	
1.	MS invited comments from JC and RLe.	
2.	JC made two observations; one around the appointment of the senior management accountant which was very positive to see and supported succession planning. JC and RLe both commented on ongoing resolution of matters in relation to the apprenticeships. Any continued delay in an ESFA funding audit (which was due) would be welcomed to support the resolution of final matters.	
4.	RLe commented that there may be challenges should the ESFA look backwards at previous years' data. There was work progressing to understand and correct any errors in the current year's, however, any review of previous years may be a risk. RLe explained that it may be the quantum of in-year issues where the College may have a problem.	
5.	RLe commented on the successful appointment of SM appointment and the approach taken by DP to allow SM to undertake the preparation of the accounts. Whilst there had been the requirement for RSM to provide more support than usual, this was positive for the College and SM had been keen to get involved and learn and progress within the College which was very encouraging.	
6.	MS asked about relationships between the Auditors and the finance team more broadly. JC confirmed that the relationship was very good, he was in regular contact with DP and, when in the College, was able to drop in and speak with ND. RLe referred to robust discussions with SM and DP about control points and commented on the robust professional relationship.	

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7.	PN asked, if there were concerns about apprenticeship records in previous years, whether there should be a statement within the Accounts or a provision. RLe confirmed that a provision could not be added as the value of any challenge was unknown. PN asked about raising the issue at the Board. RLe confirmed that this matter would be raised in terms of the discussion around risk. Should there be an ESFA audit and errors be identified, there would be a conversation about any repayment should this be required, for example, in relation to repayment terms. The assessment of going concern had indicated sufficient headroom in the current position.	
8.	It was noted that there would be ongoing Governor discussions during 2024/25 in relation to succession planning in relation to DP's position.	
	AR/24/102 - Apologies for Absence	
9.	Apologies for absence were received from Sarah Wilson (External Governor).	
	AR/24/103 - Determination of Observers / Attendees	
10.	Members agreed attendees / observers at the meeting as per the attendance list above.	
11.	Committee members welcomed SM to the meeting as observer.	
	AR/24/104 – Appointment of Chair (& Vice Chair)	
12.	JTH commented that the proposed Chair of the Committee had been shared with, and approved by, the Board at the meeting on 16 July 2024.	
13.	Resolved: MS was appointed Chair of the Committee for 2024/25. It was noted that the Vice Chair would be considered at a future meeting	JTH / Committee February 2025
	AR/24/105 – Declaration of Interests in any Agenda items	
14.	There were no declarations of interests in agenda items.	
	AR/24/106 – Minutes of the previous meeting	
15.	Resolved: The minutes of the previous meeting held on 2 July 2024 were accepted as a true record.	
	AR/24/107 – Matters Arising	
16.	Members noted the updates recorded against the matters arising. It was noted that some actions would be covered when discussing risk more broadly.	
	AR/24/108 – Update on outstanding Internal Audit Recommendations	
17.	DP presented the Internal Audit Recommendations paper.	
18.	DP confirmed that the IT Communication system update was due in December 2024 and would complete the recommendation.	

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19.	DP explained that the Payroll actions, which were due in March were well on track and would be completed within the agreed timescale.	
20.	Resolved: Committee members received the Internal Audit Recommendations and noted positive progress.	
	AR/24/109 – Internal Audit Reports	
	a) Follow-up of previous recommendations	
21.	JC presented the follow up of previous recommendations internal audit report.	
22.	It was noted that the report was undertaken during 2023/24, looking at implementation of actions from 22/23. It was further noted that the report was effective as at 3 July 2024. The report referred to one recommendation which was outstanding in section 4 and the completion of the Tutorial Policy. Committee members noted that the action had been completed on the 11 September but was outside of the report date. The report therefore references one outstanding recommendation but offered substantial assurance.	
23.	Committee members commented that it was good to see the progress made.	
	b) Quality of Teaching, Learning and Assessment Cycle	
24.	JC presented the internal audit report on the Quality of Teaching, Learning and Assessment Cycle.	
25.	JC explained that this was the first review from the 2024/25 internal audit plan. The report examined the quality of teaching, learning and assessment cycle. Amber assurance was provided to the Board. The report included a review of the post inspection action plan and the processes implemented to ensure matters raised were addressed. It was noted that a reasonable level of assurance was provided.	
26.	One medium and one low level recommendation had been provided. JC explained that some of actions in relation to the post inspection plan didn't have measurable outcomes and the plan didn't include the monitoring process and the review schedule.	
27.	Management response dates for completion of actions were December 2024 and it was therefore reassuring that actions to resolve were planned very soon. The second recommendation was around accountabilities and the staff appraisal process and not having a formal process. At the time of the report, there were a number of recommendations around the strength of the review and comprehensive review and timely actions to be taken to address; the recommendations had been accepted by Management.	
28.	Members on the Committee who were also members of the Finance & Resources Committee noted comments and it was agreed to follow up in the Committee.	F&R Committee February 2025
29.	RH commented that it would be useful to share the report with the Quality, Curriculum & Performance Committee. It was agreed that the report would be added to the Governor Hub so all Governors were able to access the report	JTH / NF December 2024
30.	Resolved: Committee members received the Internal Audit reports.	

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	AR/24/110 – Annual Internal Audit Report 2023-24	
31.	JC presented the Annual Internal Audit Report 2023/24 and commented that, in previous years, this report would have been submitted to the ESFA with the Annual Financial Statements, now it was the Audit Committee Annual Report that was submitted which included and referenced the report.	
32.	JC referred to the Opinion; <i>Based on the work undertaken during the year, and the implementation by management of previous internal audit recommendations, we can provide the Audit & Risk Committee and Corporation with Reasonable Assurance that Leeds College of Building's risk management and systems of internal control were operating adequately and effectively, and that there were no instances where any breakdown of control resulted in a material discrepancy.</i> <i>In our opinion, the College has adequate and effective risk management and systems of internal control in place to manage the achievement of its objectives and securing economy, efficiency and effectiveness.</i> <i>Except for three 'high priority' recommendations resulting from our ESFA Mock Funding Audit review of the College's Apprenticeships (Report 03.23/24) and our review of the College's Safeguarding and Prevent Duty arrangements (Report 04.23/24), no significant control issues were identified in 2023/24, as a result of the work undertaken.</i>	
33.	JC explained that ICCA were unable to provide an opinion in relation to governance arrangements and Governors could seek assurance in this area from the external governance review which was undertaken during 2023/24.	
34.	JC referred to section 3 which provided a snapshot of activity, reviews undertaken and the outcome and number of recommendations and priority and confirmed that the plan delivered or not in the case against the original plan.	
35.	RLe made an observation that he was working with SM on the Accounts and would include the opinion in the statement on internal control.	
36.	Committee members agreed that this was a positive report and commented on the high-quality reports from ICCA.	
37.	Resolved: Committee members received the Internal Audit Annual Report 2023/24	
	AR/24/111 – Risk Management Annual Report 2023/24	
38.	DP presented the report and referred to paragraph 4.5 of the report and the exercise to go through each risk and review and feedback risk by risk to the Committee. The remainder of the Report referred to the activity undertaken in the Committee.	
39.	RL commented that it was important for the Committee to understand which risks were reviewed first and in what order. It was agreed that a timeline for review would be considered.	
40.	Committee members commented that the RSM paper was very useful and asked how the College reviewed the emerging external view and how this fed into the risk register.	

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41.	DP commented that the wider documents were discussed and considered at SLT and if the risks are deemed to apply to the College they would be added to the register. It was noted that some may not necessarily apply to the College.	DP / SM February 2024
42.	It was agreed that DP would provide an update to the next meeting on the approach taken to the risks within the emerging issues document and how this linked to the risk register.	
43.	RL commented that, when reviewing the risks, another way to look at this may be by reviewing the gap between the current level of controlled risk and the current risk, and reviewing the effectiveness of the current controls. It was agreed that this would be considered in relation to the timescale of review of risks.	
44.	Resolved: Committee members approved the Annual Risk Management Report 2023/24.	
	AR/24/112 – Risk Register	
45.	DP presented the Risk Register and commented that a full review of all current risks would be undertaken including a review to check that this included all current risks and this would be triangulated with the RSM Emerging risks document.	
46.	Resolved; Committee members approved the items on the risk register noting the work to be undertaken to further review, score and triangulate the risks.	
	AR/24/113 – RSM FE Emerging Issues – Autumn 2024	
47.	Committee members noted that this had been presented at the F&R Committee.	
48.	RLe commented that this was a risk radar and RSM created the document twice per year. RLe referred to points around cyber risk, funding and bursary.	
49.	RLe commented that RSM were running a number of training and development events around bursary and VAT.	
50.	Resolved: Committee members received the RSM FE Emerging Issues – Autumn 2024	
	AR/24/114 – Fraud & Whistleblowing Register	
51.	Resolved: Committee members received the Fraud & Whistleblowing Register.	
	AR/24/115 – Draft Audit Committee Annual Report 2023-24	
52.	JTH presented the Draft Audit Committee Annual Report 2023-24.	
53.	A number of minor amendments were suggested to dates included within the report and the table in relation to attendance by Committee members.	
54.	Resolved: Subject to the amendments, the Annual Report was recommended to the Board in December 2024.	

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	AR/24/116 – Committee Self Evaluation	
55.	JTH presented the Committee self- evaluation and referred Committee members to the assessment against the performance of the Committee during 2023/24. It was agreed that all aspects of the Terms of Reference had been discharged.	
56.	Resolved: Committee members approved the Committee Self-Evaluation	
	AR/24/117 – Committee Terms of Reference	
57.	JTH confirmed that following a review of the Post-16 Audit Code of Practice, there were no amendments required	
58.	Resolved: Committee members approved the Terms of Reference and recommended the Terms of Reference to the Corporation.	
	AR/24/118 – Committee Schedule of Business 2024/25	
59.	Resolved: Committee members reviewed and approved the Schedule of Business.	
	AR/24/119 – Matters to be reported to the Board	
60.	Items to be provided to the Board for information: <ul style="list-style-type: none"> • Audit Committee Annual Report 2023/24 • Observation of the internal audit papers received so far this year • Thanks were given for the content of the reports and very high quality papers. 	
61.	SCa commented on the changes regarding NI employer contributions and the support in relation to TPS pension contributions. DP commented that he was not sure how far beyond 2025 the Government would support; he was unsure of the length of support. Committee members confirmed a commitment to keep a view on this issue	
62.	RL commented that it would be useful to keep the Board updated on the programme about the approach to risk and how to take forward.	
63.	MS commented on the lengthy chat about funding audit risk.	
	AR/24/120 – Date of Next Meeting	
64.	The next meeting was scheduled for Monday 24 February 2025 at 4.00pm (North Street).	