

NOTRE DAME CATHOLIC SIXTH FORM COLLEGE

Principles: *Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, Leadership*

Virtues: *Trust, Wisdom, Kindness, Justice, Service, Courage, Optimism*

Minutes of the Audit Committee held on Microsoft Teams and in College on:
Wednesday 25 September 2024 at 5.00PM

PRESENT Paul Casey (Chair)
John Barnes
Father Michael Hall
David Ellis

IN ATTENDANCE: Karen Petrillo - Director of Finance and Operations
David Robinson – TIAA
Denise Hark – Clerk to Corporation

		ACTION
1.00	APOLOGIES FOR ABSENCE AND MEMBERSHIP MATTERS	
1.01	Apologies for absence were received from Justine Barlow (Principal) due to a meeting with Ofsted inspectors and from Scott Gillon (Wylie Bisset).	
1.02	The Chair welcomed David Ellis to his first Audit Committee meeting.	
2.00	ELECTION OF CHAIR OF COMMITTEE	
	MH proposed Paul Casey for the position of Chair. The nomination was seconded by JB.	
2.01	Agreed: Paul Casey is elected Chair of the Audit Committee for the academic year 2024/25.	
3.00	COMMITTEE TERMS OF REFERENCE	
	The Committee reviewed the draft committee terms of reference which had been updated to reflect the correct terminology used in the Post-16 Audit Code of Practice.	
3.01	Agreed: That the Audit Committee Terms of Reference are agreed.	
3.02	Action: Chair to further review the key tasks section of the Terms of Reference.	
4.00	DECLARATION OF INTERESTS	
4.01	There were no declarations of interest made regarding items on the agenda.	

5.00	MINUTES OF THE PREVIOUS MEETING
5.01	The minutes of the previous meeting held on 18 June 2024 were agreed as a correct record and are approved for signature. These minutes had been received by Corporation at the meeting in July 2024.
6.00	REVIEW ACTIONS AND MATTERS ARISING
	There were no matters arising from the minutes of the previous meeting held on 18 June 2024.
7.00	INTERNAL AUDIT REPORTS
7.01	The DFO reported that at the previous meeting the committee had requested that the Audit reports should be spread across the year. One of the internal audits had been carried out already this year prior to formal agreement of the Audit Plan 2024/25.
7.02	David Robinson from TIAA reported on the following areas:
7.03	Annual Internal Audit Report 2023/24
7.04	The overall Internal Audit opinion was that there were Reasonable effective controls in place.
7.05	Of the four internal audits that were carried out in the previous year one had Substantial assurance, two had Reasonable assurance and one had Limited assurance. There had not been any urgent or Priority 1 recommendations made. Of the 12 recommendations made, six were relating to compliance procedures.
7.06	The budget for the Internal Audit had been 20 days and the work had been carried out in 20 days.
7.07	The Chair noted that there had been a few more recommendations received in the last few years. As there had been a great deal of change in IT in college Internal Audit had been asked to look into these areas.
7.08	Q: Is it common practice for colleges to outsource Internal Audit? A: It is a requirement for sixth form colleges to have an internal audit. This is not just a finance function. This function could not be sustained with an internal post.
7.09	DR reported that TIAA have experts in different areas and work in other sectors such as the NHS and local government. They are able to share good practice across sectors.
7.10	Q: How does the process work? A: The process starts with an Annual plan, following discussions with the DFO and approval by the Audit Committee. The scope for the individual assignments is contained in the Annual Plan. The Internal Audit covers four different areas each year and is risk-based. The areas covered are on a 3-year cycle.

7.11	Audit Plan 2024/25
7.12	DR reported that the Audit Plan for 2024/25 was based on the risks in the sector.
7.13	The areas for internal audit in 2024/25 are: Risk Management, HR Management, Cyber Security and Budgetary Control.
7.14	There is a 3-year audit plan in place, and it had been agreed last year to bring HR Management forward a year. HR requires a new IT system and there was the potential that the existing system could cause a cyber risk. The DFO explained that the remote desktop system could present a cyber security risk if a member of the HR management team had to work from home.
7.15	<p>Q: Might the HR Management audit slip to the following year if the HR system is replaced this year.</p> <p>A: There is a possibility, however, the HR Management audit had been timetabled for the summer term.</p>
7.16	The DFO noted that colleges need to have Cyber Essentials as a condition of funding and an external view of this area would be appreciated.
7.17	Risk Management framework had been included for advice on how to report the risk register in a better way.
7.18	Agreed: To approve the Internal Audit Plan for 2024/25.
7.19	<p>Internal Audit – Budgetary Control</p> <p>DR reported that the Internal Audit on Budgetary Control had taken place this term and the audit opinion was that there was Reasonable assurance.</p>
7.20	There had been Priority 2 recommendation which was to review the bank reconciliation and approval process to be formalised to strengthen accountability.
7.21	There were two routine Priority 3 recommendations which relate to an update of the Financial Regulations to include that a review of the Management Accounts is carried out by SLT, the Finance & Resources Committee and the Corporation. The Financial Regulations will be updated to include this at the next review in May 2025. Internal Audit had confirmed that this timescale was appropriate.
7.22	<p>Q: What did the audit involve? Was it to check the accounts and reports provided?</p> <p>A: No. All the detail behind the reports presented to governors are contained in spreadsheets. These were shown to the auditors for them to see how they are prepared and to check that systems are in place. They had confirmed that the way this is carried out is appropriate.</p>
8.00	COLLEGE FINANCES
8.01	<p>Teachers' Pension Contributions</p> <p>The committee received a certificate from the external auditors to confirm the work they had carried out to verify teachers' pension contributions.</p>

8.02	<p>Q: Is there any other admin work connected with this?</p> <p>A: Payroll provides the information on this every month.</p>
8.03	The DFO reported that an actuarial valuation is carried out on the West Yorkshire Pension Fund and not the Teachers' Pension fund. This valuation has moved from a deficit of £210k in the previous year to a credit of £78k this year. This is not included on the balance sheet.
9.00	RISK MANAGEMENT
9.01	The DFO reported on the risk register which had been provided with the papers for the meeting. The summary tab shows where there have been any changes and where the residual risk is higher.
9.02	It was noted that there had not been a major change in risks rated 12 or higher.
9.03	<p>Q: How are risks reviewed on the register and how are risks added or removed?</p> <p>A: The committee had removed a number of areas about 3 years ago when they had carried out a review.</p>
9.04	The DFO reported that the risk register was a working document which is used regularly and is considered by the SLT. She added that she would welcome advice from Internal Audit on how the risk register can be streamlined.
9.05	DR advised that the Board should consider a number of important risks. These should be articulated clearly on a one-page document. The internal audit on the risk register had been scheduled for the Spring term 2025.
9.06	The Chair requested that the committee be informed of any areas which were not included in the risk register. The DFO reported that the risk of becoming an academy or not becoming an academy had been on the risk register and then had been taken off. DR advised that a risk description be considered for example how the risk could impact on the college financially.
9.07	The DFO reported that the defunding of some subjects is a risk to all colleges. This could be a risk to student numbers and to finance. The Chair of the Curriculum & Standards Committee noted that the Curriculum & Standards Committee are monitoring this risk closely. The committee is currently able to present the case that the college meets the Local Skills gap, but this could come under threat by government actions on defunding areas of the curriculum.
10.00	POLICY APPROVAL
10.01	<p>The following policies were presented for review:</p> <ul style="list-style-type: none"> • IT Business Continuity Plan • Whistleblowing Policy
10.02	Agreed: That the IT Business Continuity Plan is approved.

- 10.03** **Agreed:** That the Whistleblowing Policy is recommended for approval by Corporation.
- 11.00** **ANNUAL REPORT OF THE AUDIT COMMITTEE**
- 11.01** A draft Annual Report of the Audit Committee was considered. One section of the report concerning the external audit would need to be updated once the external audit report has been received.
- 11.02** **Agreed:** That the draft Annual Report of the Audit Committee is approved, with an updated report to be presented at the next committee meeting in December.
- 12.00** **APPOINTMENT OF EXTERNAL AUDITOR**
- 12.01** The current 3-year contract with Wylie Bisset to provide the External Audit service is due to finish in December 2024. The DFO reported that the college is able to continue with the service on a rolling contract until it is required to go out to tender.
- 12.02** The DFO recommended to roll the contract forward for another year as Wylie Bisset provide a very good service which represents value for money.
- 12.03** The Chair noted that according to the Audit Code of Practice there may need to be a change of audit partner if choosing to stay with the same audit company. The DFO agreed to speak with SG from Wylie Bisset about this matter and bring back the recommendation to the next meeting.
Action: DFO

(DR left the meeting at this point 6.27pm)
- 13.00** **ANY OTHER BUSINESS**
- 13.01** Confidential Item
This item was deemed as confidential and is minuted in the Confidential Part 2 minutes.
- 14.00** **DATE AND TIME OF NEXT MEETING**
- 14.01** The next meeting will take place on Tuesday 3 December 2024 at 5.00pm. This will be a joint meeting with the Finance & Resources Committee.

The meeting at closed at 6.40pm.