

# HARLOW COLLEGE FURTHER EDUCATION CORPORATION

## AUDIT COMMITTEE

### Minutes of the meeting held virtually on MS Teams at 9.30am on Tuesday 4 March 2025

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

\*denotes present

In attendance                      Ryan Pearce, 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**

Apologies for absence were received from Shachi Blakemore – Buzzacott.

#### **2 Declarations of Interest**

Michael Travers declared that he is a staff governor, that he was the responsible manager for the Health and Safety audit covered in agenda item 5.2, that he and his wife had 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 and the confidential minutes of the Audit Committee meeting and the minutes of the joint Audit and Resources Committee meeting both held on 9 December 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)**

There were no matters arising.

#### **5 Internal Audit**

##### **5.1 Cyber Security Internal Audit Report**

This was minuted confidentially.

##### **5.2 Health and Safety Internal Audit Report**

The Audit Committee received and considered the internal audit report on health and safety, presented by Ryan Pearce, Scrutton Bland.

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

Five low level recommendations have been made, all of which have been accepted by management. Ryan Pearce informed the Committee that health and safety is often an area which leads to high and medium level recommendations being made, however the recommendations raised in the report are all minor and low risk in nature. Ryan Pearce reported that there is good management of the risk assessment process and training and there is a good health and safety framework across all departments.

A Governor reported that at the Health and Safety Committee meetings, it is evident how much health and safety standards across the College have improved. Will Allanson reported that in 2017-2018 a limited audit opinion was provided on health and safety. A follow up audit took place the following year, which provided assurance that action had been taken to address issues raised in the original audit report. Will Allanson reported that there has been significant progress made since then on health and safety.

The Audit Committee noted the internal audit report on health and safety.

### **5.3 Internal Audit Progress Report 2024-2025**

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

Governors were informed that three audits have been completed to date and all other audits have had the dates confirmed.

Governors were informed that an additional audit on the Right to Work has been added into the audit plan at management's request.

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 internal audit reports presented at this meeting will be added to the tracker.

A Governor asked, in relation recommendation 1, if the College was moving from Blue Octopus to the Iris system and if so, will this be achieved by May 2025. Will Allanson reported that Blue Octopus is being taken over by Iris therefore the College will move over to Iris. There has been a lot of engagement so far and a lot of progress already been made, therefore May 2025 is a realistic target date.

A Governor asked about the length of time recommendation 2 is taking as the

recommendation refers to using a standard College template. Paul Whitehead reported that due to the growth in demand and student numbers, significant revisions to a number of policies have been required and these have taken place before the review of the CEIAG Policy. It is the process of reviewing the policy that is taking longer, rather than putting it into a standard template, as the recommendation refers to.

A Governor asked if there had been any progress with the £389k apprenticeship debtor and asked about the target date of being “Dec 24 and on-going”.

Deanne Morgan reported that some measures will be undertaken monthly therefore no end date will be set however the College will get to the point to clear the debt.

Paul Whitehead reported that a significant amount of work has been undertaken on reconciling the figures. Final figures are not yet available and work is being undertaken within the teams to correct data where required. Management are clear on what needs to be done. Some of the debt is likely to be recoverable however it is likely that some will be written off. Paul Whitehead provided an overview of the challenges with the funding and reporting system and reported that the MIS team are doing further training on the systems to better understand how errors can be avoided going forward. Progress is being made which is slow at present, however it needs to be resolved by year-end.

A Governor reported it would be useful to have a target / milestone date for assessing the College's position and Paul Whitehead suggested that this could be built into the update / commentary section on the audit tracker. The Committee agreed that this would be helpful and appreciate the work being done by management on this.

A Governor asked how this debtor is included in the management accounts. Deanne Morgan reported that it is showing in the forecast apprenticeship income in-year, which is being shown as slightly lower than expected as there could be a small write off this year.

The Audit Committee approved the audit tracker.

## **7 Risk Register**

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

Deanne Morgan reported that changes or additions to the risk register were in purple font.

The Committee noted that a new risk has been added to the register, as follows:

- **Risk 10 – Capacity: Accommodate the increase in learners at Stansted Airport College (STAC)** There is growing demand at STAC and options to address capacity are being explored. The risk rating is 8 – likelihood 2, impact 4.

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

- **Risk 2 – Finance: Adult Skills Fund (ASF) (formerly AEB):** This risk has been amended to reflect the risk of not earning the full ASF contract which is reflected in the latest Management Accounts forecast. The score has increased from 12 to 15.

- **Risk 5 – Student Recruitment (HE):** The score has increased from 8 to 10 due to the recruitment of HE learners being low.
- **Risk 6 – Curriculum Reform:** As the government have provided more certainty around the defunding of qualifications, this risk has reduced from 16 to 9.
- **Risk 7 – Quality (Apprenticeships):** This risk has reduced from 12 to 9 as the College has implemented many processes and improvements.
- **Risk 8 – Finances (maintenance of “Good” Financial Health):** This risk has increased slightly from 6 to 9 due to the low year to date ASF funding that has been achieved.
- **Risk 12 – Capacity (growing demand for level 1 and 2 courses):** This risk has reduced from 8 to 5. The College has reviewed its level 1 provision, including rooming and the Harlow site is in a better position for this growing demand.

Governors were informed that Risk 4 – Technology (sustainable and secure) has not been revised following the cyber security audit as the actions relating to the recommendations raised have or are in the process of being implemented.

A Governor asked if there is risk that the airport could train people themselves rather than using STAC if there is a capacity issue which is limiting numbers studying there. Will Allanson reported that the risk of this happening is very low, The College works closely with Manchester Airport Group (MAG) and that there is a strong commitment from MAG to the College. How to secure the funding required for STAC Phase 2 is the uncertainty. STAC is already oversubscribed for September 2025 therefore the College is looking to manage its growth in the interim. Maximising space utilisation on the current site is being explored, however this will be costly, along with on-airport, off-College teaching spaces that the College could lease.

The Audit Committee approved the risk register.

## 8 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 latest review and updates are shown in grey throughout the document. Deanne Morgan reported that a termly update serves as a useful reminder to managers of what they need to be doing to ensure compliance.

The Audit Committee noted the Regularity Self-Assessment Questionnaire.

## 9 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.

## **10 Data Breach Report**

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

The Committee noted that two data breaches have occurred since the last Audit Committee meeting, one relating to a single staff record and one to multiple stakeholder records. Details of the breaches were provided to the Committee and the corrective action taken by the College was highlighted.

The Audit Committee noted the Data Breach Report.

## **11 Any Other Business**

Paul Whitehead asked if the Audit Committee would find a cyber security report helpful. A Governor asked Ryan Pearce if other college clients present such a report. Ryan reported he was not aware of any however he would look into this. Ruth Lucas also offered to ask on the JISC Governance Professionals' Network. The Committee agreed this would be useful and Paul Whitehead and Ben Nicholl agreed to produce a first report for the next Audit Committee meeting.

The Committee noted that this was Michael Travers' last Audit Committee meeting as his term of office is expiring this month and thanked him for his contribution to the Committee over the last four years.

## **12 Dates of Future Meetings**

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

**Action Plan:**

<b>Action No.</b>	<b>Agenda Item</b>	<b>Action</b>	<b>By Whom</b>	<b>By When</b>
001	6 – Audit Tracker	Build into the update / commentary section on the audit tracker a target / milestone date for assessing the College's position in relation to the apprenticeship debtor.	Paul Whitehead Deanne Morgan	June 2025
002	11 – Any Other Business	Present a cyber security report at the next Audit Committee meeting.	Paul Whitehead Ben Nicholl	June 2025