



## **HOPWOOD HALL COLLEGE**

### **MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 21<sup>ST</sup> SEPTEMBER 2022**

**Meeting Commenced: 8.00am**

**Meeting Ended: 9.30am**

**Attendance: 80%**

**Quorum 3**

#### **Governors Present:**

Clive Reid (Chair), Greg Walsh, Lee Sugden (Co-opted Member),  
Chris Ogbekhiulu (Co-opted Member)

#### **In Attendance:**

Jo Bentley            Executive Director Finance & Estates  
Matthew Taylor    Executive Director Performance & Planning  
Patrick Clark       ICCA  
Fatema Hussein    Clerk to the Corporation

#### **1. Apologies for Absence**

Apologies had been received from Cathy Berry and Wylie & Bissett (external auditors)

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

Members were invited to declare any direct, indirect, personal, pecuniary or prejudicial interest on any item on the agenda.

There were no declarations made.

#### **3. Approval of the Minutes – 16<sup>th</sup> June 2022**

Agreed that: the minutes of the meeting held on 16<sup>th</sup> June are approved as a correct record and authorised for publication

#### **4. Matters Arising from the Minutes**

The action progress log was reviewed, and Greg Walsh advised that he had approached 2 legal firms regarding the sub-contracting rules, but they had not been in a position to provide the legal advice needed. He had reviewed the public procurement rules and was of the view that this was an exempt contract as most of the conditions were being met, including the ESFA rules.

The Committee agreed that this item was now taken off the Actions log.

## ESFA Funding Audit

Discussed under Reserved Business

### **5. Internal Audit Reports – ICCA**

ICCA presented the internal audit reports with the following points highlighted to the Committee:

#### **5.1 IT Data Security**

- A Substantial assurance opinion had been issued with 2 medium, 1 low and 1 advisory recommendation
- The following areas for improvement had been identified:
  - The Executive Director Planning, Performance and Information had been named as the College's Data Protection Officer, and this could be viewed as an inappropriate combination of duties
  - Some of the existing policies had not been reviewed within the expected timescales
  - The College had limited network monitoring capabilities
  - Firewall management processes may not be sufficiently robust

Management advised that the recommendations were being considered by the College.

#### **5.2 AEB Strategy**

- This was an advisory review and no opinion had been issued, with 1 recommendation having been raised
- The overall strategy appeared to be effective

#### **5.3 Follow UP**

- A follow-up review of management progress with implementing previously agreed internal audit recommendations had been undertaken
- ICCA was able to provide Substantial Assurance that progress with implementing previously agreed internal audit recommendations had been timely and effective
- 18(95%) of the previously agreed recommendations had been fully implemented by management; and, 1(5%) of the previously agreed recommendations were found to have been partially implemented

#### **5.4 HE Strategy**

A Substantial assurance opinion had been issued with 1 recommendation, which was in relation to reviewing the viability of courses with small cohorts

Management advised that the College adopted a prudent approach for H.E. provision and some courses provided a progression pathway to other areas. The fee for HE courses was capped at £6,000 which represented good value for money

#### **5.5 Annual Report**

ICCA confirmed that "Reasonable" assurance was being provided to the Committee

that the College's governance and risk management arrangements and systems of internal control were operating adequately and effectively

## **6. Value for Money Report**

The Value for Money was presented and reviewed.

It was noted that this was the first year that this report had been issued, following a recommendation from the Audit Code of Practice, and would now feature as an annual report to the Audit Committee.

### **Governor Questions**

**Q.** Were the savings and efficiencies achieved incorporated into the management accounts?

**A.** Efficiencies were factored in the budget for the following year

Governors agreed that the report would evolve over time and suggested that space and building utilisation and sustainability were included in future reports.

### **ACTION:**

Executive Director of Finance & Estates

## **7. Regularity Self-Assessment Questionnaire 2021/2022**

The Executive Director of Finance & Estates explained that:

- As part of the Audit Code of Practice, Governors must complete a Regularity Self-Assessment questionnaire on an annual basis
- Corporations must also provide a copy of their completed questionnaire to the reporting accountant
- Present the questionnaire to the external auditors during their review of the financial statements for the year ending 31 July 2022

### **Governor Questions**

**Q.** Were there any areas of non-compliance?

**A.** It was confirmed that there were none

### **RESOLVED:**

The Committee reviewed and endorsed the regularity self-assessment questionnaire.

## **8. Counter Fraud Strategy**

The Committee was informed that:

- A counter fraud strategy was required in order to comply with the requirements of the Audit Code of Practice
- The strategy should set out the approach to raising awareness, prevention, detection, investigation and sanction (including seeking redress where appropriate) of suspected fraud
- Although the Financial Regulations, including the Fraud & Corruption policy &



Fraud Response plan were reviewed annually by this Committee, it was acknowledged that a formal Counter Fraud Strategy needed to be established to raise awareness, evaluate fraud risk assessment and measure the effectiveness of the strategy

The Committee agreed that a counter fraud strategy was developed and brought back to the November Committee meeting for review

**ACTION:**

Executive Director of Finance & Estates

**9. Audit & Risk Management Update**

The following update was provided to the Committee:

- The business continuity and emergency planning audit was due to take place this term
- There were 12 recommendations on the Audit tracker of which 3 had been implemented, 8 were not yet due and 1 had been deferred
- 3 new risks had been identified since the last meeting and these were;
  - Increased safeguarding risk due to the increased volume of safeguarded learners and capacity to manage learner needs
  - Risk to recruitment due to implementation of the new website and integration of the course management system
  - Impact of the loss of carparking at Rochdale & Middleton Campus due to growth of learner numbers and new buildings
- Failure to recruit key staff had been revised to extend to all areas of the College due to difficulties in recruiting to vacant posts not just in curriculum areas but cleaners, MIS and technicians

**10. Audit Committee Self-Assessment 2021-2022**

The Clerk advised that this would be presented at the November meeting as there was a need to review the current document against a new template that had been provided by Deloitte.

**ACTION:**

Clerk / November Committee Agenda

**11. Date and Time of Next Meeting**

Thursday 17<sup>th</sup> November 2022 at 8am

**12. Meeting between the Auditors and the Audit Committee**

An opportunity for the Auditors to discuss any matters with the Audit Committee to the exclusion of College management.

ICCA confirmed that there were no matters that they wished to discuss with the Audit Committee to the exclusion of College management.

Chair's Signature

Date: 17.11.22