

**Minutes of the Audit Committee Meeting held via Microsoft Teams on Tuesday  
20<sup>th</sup> June 2023 at 3pm**

- Present:** Mo Kundi (Committee Chair)  
Diane Hutchinson (independent member)  
Carla Kennaugh (associate member)
- In Attendance:** Lisa Farnhill – Clerk  
Kevin Williams – Vice Principal Finance and Facilities
- Apologies:** Laura Bell (independent member)

Minute No.	Minutes	Action
<b>A.23.84</b>	<b>Open and Welcome</b>  The Chair welcomed everyone to the meeting, thanking members and attendees for their time.	
<b>A.23.85</b>	<b>Item 1: Apologies for Absence</b>  The apologies for absence for Laura Bell were presented and accepted.  <b><u>Item 1 - Noted</u></b>	
<b>A.23.86</b>	<b>Item 2: Declarations of Interest</b>  There were no declarations made beyond the noting of standing interests.  <b><u>Item 2 - Noted</u></b>	
<b>A.23.87</b>	<b>Item 3: Minutes/Matters Arising</b>  The Committee Chair confirmed that as an extraordinary meeting, the meeting would only address matters it was called to review therefore minutes and all actions and matters arising would be carried forward to the next scheduled meeting in the new academic year.  <b><u>Item 3 - Noted</u></b>	
<b>A.23.88</b>	<b>Item 4: Confidential Business</b>  Members reviewed the agenda and confirmed that nothing scheduled was considered confidential, however, the nature of some discussions around risks may need to be reviewed in terms of minute redaction.  <b><u>Item 4 – Noted: The Committee resolved to consider the content of discussions in the minutes at the next meeting.</u></b>	

**A.23.89 Item 5: Risk Management**

The VP Finance and Facilities explained the purpose of each element of the risk assessment framework, highlighting how the risk appetite statements formulated at the Strategic Event had been embedded into the Risk Management policy.

Members noted the change from strategic objectives to intentions, and the impact on risk mapping.

Members were informed that there remained 27 risks, following the removal of the risk linked to HE, replaced by a new risk relating to employer engagement. Members discussed the spread of risks across business areas, asking if the number of risks relating to quality of education were in alignment with the sector. The Clerk advised her previous college had approximately half risks linked to quality, with feedback from the internal audit service confirming this aligned with their experience of the sector, with the Vice Principal providing insight from a training event he had attended, which proposed splitting the risks evenly between strategic and operational risks, with the overall number not to exceed thirty. After discussion, members concluded the rating of the quality risks and regular reviews were more important than the number of risks, and agreed the proposed scoring of the quality risks reflected the potential impact of these risks being realised and felt assured by the mitigations in place. Members asked if risks were declared within the Financial Statements, which would allow the college to compare the number and detail of their risks with that of similar colleges. Members were informed only key risks, mainly those common to the sector tended to be included, focused on central funding, and recruitment.

Members considered the number of high risks and asked for their concern over the number of high risks post mitigation to be noted. Members considered staffing risks at length, highlighting how recruitment and retention was considered to be one of the most significant, college-wide risks. Although noted as a sector-wide issue, members expressed concern over the number of recent resignations, impacting key areas. Members were given an overview of areas still to be staffed for September, with the Committee asking that this is highlighted to the Standards Committee, for oversight of the impact on curriculum delivery so they can consider how it feeds into the risk register and the appropriateness of the risk rating and mitigations.

**VP C&P/  
Standards**

Whilst acknowledging the sector-wide pay issues, members asked if evidence suggested this was what was driving the resignations, or whether there was any intelligence from exit interviews or other sources to support this. Members noted the current exit interview process was line manager led, with it unclear if this was mandatory or optional, with no summary reporting of key findings. Members asked if capacity would allow for this process to be HR led to allow for honesty, with key themes be fed back to governors, with consideration even given as to whether governors could support this process. Insight from recent events, as well as feedback on 'Open Door' were discussed, with members proposing if it was possible the HE decision had a wider impact on morale and the perception of the College's financial viability. Members were advised of the process to consult and communicate the HE decision to staff,

**VP/HR  
Resources**

with members considering whether a more positive communication campaign may mitigate the impact.

Members asked how the staffing issues were being addressed, noting the reduction to the agency staff budget. Members were advised the most affected areas were seeing salary uplifts to support retention and recruitment, noting, the number of areas was increasing. Members were informed by the Clerk of the decision to increase the frequency of HR reporting to the Resources Committee, with an updated format to include termly KPI's supported by termly focused reports covering different aspects, including feedback from the regular 'snapshot' surveys that would replace the annual survey, which had seen low response rates. The Vice Principal Finance and Facilities advised of the introduction of an anonymous feedback and suggestions box, adding that themes from this could also be fed back to Resources. Members agreed the updated reporting schedule was necessary for oversight of a key risk, however, reiterated their earlier point that staffing issues also needed to be fed into the Standards Committee to ensure they could consider the impact on quality.

Members discussed a question posed by email ahead of the meeting, relating to concerns over the loss of key personnel in the Finance Department. Members noted the timing of the review of the risk register prevented the retirement of the Vice Principal Finance and Facilities from being incorporated in the review, however, concluded the register captured this adequately through the general risks relating to staffing, recruitment and retention.

Members discussed the imminent changes to the Finance Department, and confirmed they were assured by the successful recruitment of an experienced Head of Finance, however, expressed concern over there not being the opportunity to complete a handover, with timing meaning there may even be a gap in service. Members were informed of the intention of the external auditor to commence the field work in September, which would coincide with the intended start date of the new Head of Finance. Members agreed that the extensive experience of the appointee would ensure they could commence the role and have an immediate positive impact, without the need for training. The VP assured the Committee that the impact of the timing would be minimised, as the Head of Finance would complete the July management accounts ahead of retirement, however, conceded that it would still be a challenge for the new Head of Finance as they would not know the history behind the figures.

The Clerk outlined the options for the timeframe for the recruitment to the Vice Principal role, with the expectation being that the Panel will support a shorter recruitment window, to allow for a longer handover period. Members welcomed this approach and agreed this provided some assurance, however, concluded that the change in two key staff would still have an impact and until the recruitment process concluded, it remained a risk.

Members asked to meet with the new appointees early in their role, to provide an objective overview before they are embedded into their role and the culture of the college.

In concluding, the Vice Principal Finance and Facilities summarised the key points from the meeting to be raised with the Senior Leadership Team, with concerns over staffing and impact on curriculum delivery to be conveyed, a need to report key themes from exit interviews, with consideration to be given

**Audit  
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Head of  
Finance/VP**

to having these conducted by the HR team as well as reviewing staff communications, in particular around the HE decision and whether this needed to be reframed. This would be in addition to ensuring the Standards Committee are made aware of concerns over staffing and recruitment. Members agreed the points were accurately captured, offering their approval for the risk assessment framework, subject to the support of the other Committees in overseeing the detail relevant to their terms of reference.

***Item 5 - approved: The Committee resolved to recommend that the Corporation approve the risk assessment framework, including the new risk register, risk mapping, and policy.***

**A.23.90 Item 6: Items to be Reported to the Corporation**

The Clerk confirmed the Committee should recommend the Corporation approve the Risk Assessment Framework, noting the final element would be the financial risks to be recommended by the Resources Committee

***Item 6 - Resolved: The Committee resolved to present the information to the Corporation as detailed above.***

**A.23.91 Item 7: Date Of Next Meeting (and Closing Comments)**

It was confirmed the next meeting would be circulated once agreed by the Corporation.

***Item 7 - Noted:***

**The meeting closed at 3.45pm**