



**Minutes from the meeting of the Audit Committee held remotely
on the 28th February 2023**

<p>Present: N Hainsworth (NH) - Chair M Hussain (MH) K Robinson (KR)</p> <p>In Attendance: D Carter (DC) - Clerk L Swift (LS) - Vice Principal Finance and Planning G O'Shea (GOS) - Vice Principal Curriculum R Bott (RB) - Mazars M Speight (MS) -Mazars</p>	<p>Apologies: J Curtis (JC) P Webley (Co-option) (PW)</p>
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		Action
Meeting started 6.00pm		
1	<p>Welcome, Apologies for absence, Disclosure of financial and/or personal interest NH welcomed everyone to the meeting. Apologies were received from JC and PW. There were no financial or personal interests to disclose.</p>	
2	<p>To agree agenda and order of business as circulated The agenda and order was agreed by members.</p>	
3	<p>To approve the minutes of the meeting held on 6th December 2022 <i>The minutes were approved as a true and accurate record of the meeting.</i></p>	
4	<p>Matters arising:</p> <p>i) <i>The Clerk will report back to the Search committee chair regarding the quorum and needing an additional member for the committee.</i></p> <p>The Clerk reported that an email had been sent out to all eligible Governors regarding a vacancy in the committee, no response has been received as yet and a second email was sent this morning. If there is no response it may be a more targeted approach. Members agreed it was important to gain another member due to quoracy issues.</p>	
5	<p>a) To consider a review of the key performance indicators for External Auditors LS explained the continuity was raised as there two new senior staff. All other KPI's are in the 'high' category. LS is content to recommend re-appointment for external auditors. Members agreed the relationship works well and hope it can continue.</p>	

b) To consider an extension to the External Financial Auditors Contract 2021-2025

LS explained the college carried out the tender process and agreed fees in February 2022, for 2022/23. This included a provision for an inflationary increase.

At the previous meeting it was discussed to extend the contract but there are some other issues surrounding costs going forward.

MS explained the key things that could affect cost:

- CPI is at 7%. This will be used as a cap to give a fair price.
- The new accounting standard which may create additional steps to be decided in the planning stage. Currently going through the planning process and what it is auditors need to do. What we are expecting is impact on time, which may be a 15% to 30% uplift.
- RB went on to explain the regularity impacts as a result of the reclassification. RB thinks this will be based on the programme for Academies which they are used to working with.
- Last aspect to consider is Shipley College Development Ltd, no transactions will happen so it is dormant however will be used in following years, most likely for the Town's Fund build.

LS explained the college has approached ESFA as will be using Shipley College Developments Ltd again, and given reclassification they needed to be approved which has been agreed by ESFA.

A question was asked around the Towns Fund contract, which might be signed in July but no financial transaction will take place until August/September, will Shipley College Developments Ltd still be seen as dormant with the contractual agreement in place.

RB explained if there are no debits and credits- it is dormant, therefore does not need auditing.

So to clarify, CPI 7%, new auditing standard 10%. will keep track of the auditing standard, and both are effectively capped at these. This takes fee for External audit from £21,000 plus VAT to £24,570 plus VAT plus the TPS audit of £1070 + VAT

A member asked about the use of Shipley College Developments Ltd (SCD) for the new building as their understanding was this was left open for warranty on Jonathan Silver building only, would it be better to use a separate vehicle? LS explained the college has discussed this with the property team and they are comfortable using the existing company. LS clarified the reason for using SCD is to improve VAT recovery.

It was asked if VAT zero rating related to accessibility works. LS answered it is non business students, which are students with no fee element, apprentices are business students but T-Level students are fully funded and classed as non business use.

A discussion took place around if this would limit the College in the use of the rooms. LS confirmed there would be some restriction but in line with the proposed use and there would be some multi use areas and similar processes will apply to the new building as they do in the Jonathan Silver building.

The proposal is to accept Mazars quote for 2022/23. Fees for following years will need to be reassessed particularly around the extra work on the auditing

	<p>standard. MS stated the 10% should remain in future years but not increase, however cannot be confirmed.</p> <p>In terms of regularity MS can indicate if colleges have to adhere to similar to what academies comply with then Mazars can absorb the additional time as they are experienced in this.</p> <p>Members agree and recommend to the Corporation the 2022/23 audit fee of £24570 plus £1070 for TPS both plus VAT.</p> <p>Also to report that they are content for Mazars to continue their appointment for a further two years following this as they can see Mazars are being reasonable about the fees and happy with the relationship. This will be recommended to the Corporation once the final figures for these years are confirmed.</p>	
6	<p>To consider the GDPR annual review to 31/12/22</p> <p>LS reported on behalf of Ian Durham (ID), Data Protection Officer, there have been a number of breaches but this shows staff are aware of what is a breach and are reporting them correctly. There have not been any breaches that needed to be reported externally.</p> <p>A Member noted one breach was a human error but it is an honest candid report to itemise this.</p> <p>A question was asked regarding financial redress where data breaches may go further, is there a structure in place in terms of costs the college may incur. Action: <i>LS will check and feedback as feels it may be a part of the insurance</i></p> <p>A Member asked if the College has future plans for technology for deleting unwanted sent items centrally. Action: <i>LS will speak to ID as not sure if this has been discussed.</i></p> <p>LS reported that once this form is completed, three staff members get the notification to ensure it is dealt with in 72 hours as needed. There are processes in place but thankfully no major breaches.</p> <p>Members report to the Corporation they have considered the report.</p>	LS
7	<p>To monitor recommendations made by Auditors/Assurers:-</p> <ul style="list-style-type: none"> • Mazars External Audit Findings 21/22 nil recommendations. • TIAA Internal Audit 2022 -follow up on 2 recommendations <p>LS reported there were no recommendations from the external audit. From TIAA there were two as previously discussed. One was catering vending income, which is now being collected and reported by two members of staff. The second item around staff from the same team using the same Proactis licence has also been addressed now the staff members are on two different licences which gives segregation of duties.</p> <p>Members receive the report.</p>	
8	<p>To give Auditors the opportunity, if necessary, to go into a confidential session without Management/Observers in attendance</p> <p>Nothing to be discussed at this time.</p>	

9	<p>To receive updates on risk and assurance:</p> <p>i. Receive a progress report on the Risk Register LS explained the changes which are noted in red on the report. 11a. Recruitment has moved amber to red. Having significant difficulty in some areas. Increased probability of the possibility. 11c. Reduced for internal industrial actions</p> <p>A member asked about the living wage and if College is struggling to recruit should it be reconsidered. LS explained this has been looked at in the options for the pay increase last term, it is the affordability of this that was the issue.</p> <p>12g. Regarding covid and online meeting, recommending to remove as this is general practice now. Members agreed this is no longer a risk and should be removed.</p> <p>Members recommend the removal of 12g to the Corporation and receive the report.</p> <p>ii. To receive an update on WYCC LS explained WYCC management accounts to January 23 show a surplus which is lower than predicted</p> <p>Diana Bird - Principal (DBi) is not being appointed as director</p> <p>A question was asked around the implication of DBi not being a director. LS explained DBi represents us as a College and attends but is not listed on Companies House. GOS, DBi and LS all attend meetings and receive reports so are still very much informed.</p> <p>Members receive the report.</p>	
10	<p>Any Other Business None raised.</p>	
	<p>Dates of meetings to December 2023</p> <ul style="list-style-type: none"> •Tuesday 27 June 2023 at 6.00pm •Tuesday 5 December 2023 at 6.00pm <p><i>Agreed</i></p>	

Meeting closed 6.53pm

Action and Decision Tracker

Date /Item	Decision/Action	Person responsible
280223 item 3	The minutes were approved as a true and accurate record of the meeting.	
280223 item 5	<p>Members agree and recommend to the Corporation the 2022/23 audit fee of £24570 plus £1070 for TPS both plus VAT.</p> <p>Also to report that they are content for Mazars to continue their appointment for a further two years following this as they can see Mazars are being reasonable about the fees and happy with the relationship. This will recommended to the</p>	

	<p>Corporation once the final figures for these years are confirmed.</p> <p>.</p>	
280223 item 6	<p><i>LS will check about cover for financial redress on data breaches and feedback as feels it may be a part of the insurance</i></p> <p><i>LS will speak to ID regarding software to stop a sent email centrally as not sure if this has been discussed.</i></p> <p>Members report to the Corporation they have considered the GDPR report.</p>	LS