



AUDIT COMMITTEE

MINUTES of the Meeting of the AUDIT Committee held on Wednesday 13 March 2024 at 13.00 via remote participation		
Members present: Gillian Lancaster Amali de Alwis Imran Razzaq Gurpreet Kaur	External member and Chair External member External member Co-opted specialist	
In attendance: Steven Connors Mark Smith Chris Payne Jacky Gearey	Validera for item 3.6 CEO Interim Director of Finance & Data (FD) for items 3.3, 3.4, 3.5, 3.7 and 3.8 Clerk	
Quorum 2 members		
Agenda Item		Action by
	Opening of meeting The Chair opened the meeting at 13.04 and thanked everyone for attending. As Steven Connors was joining the meeting for item 3.6, it was agreed to take that item directly after 3.2.	
	Apologies for Absence There were no apologies.	
	Declarations of interest There were no declarations of interest.	
3.1	Minutes of Previous meeting The committee approved the following as an accurate record of the meeting held and decision taken: (i) minutes of the meeting held on 29 November 2023 Resolved that the minutes were an accurate record of the meeting held 29 November 2023	
3.2	Open Matters Arising Item 4.2 – risk appetite discussion carried forward from November meeting. See item 3.5. Item 4.5 – Fixed asset register - A fixed management system has been selected. A project plan set up to ensure this system is updated to hold and track all assets. Audit action will be complete for June meeting. On agenda see item 3.4. Item 2.4 - Contingent liability to be discussed – this referenced a possible ESFA funding clawback. FD advised that a process is to be set up regarding any contingent liabilities to be initiated by the F&R committee who will advise whether audit need to review contingent liabilities across the business. FD to action. Closed. All other actions had been closed and there were no other matters arising.	FD

3.3	<p>Notification of any matters for concern (e.g. fraud, whistleblowing) The FD confirmed that there had been no matters of concern to report.</p>	
3.4	<p>Audit Output Tracker The tracker provided an update on the progress with recommendations resulting from internal and external audit work carried out over the period September 2022 to date. The completed actions to be removed from future reports. The tracker covers the following audit activity:</p> <p>The committee reviewed the tracker noting the following audit activity:</p> <ul style="list-style-type: none"> • Fixed asset register - System for fixed asset tracking has been selected, project plan is in place and delivery underway and will be complete early summer 2024. Committee asked whether this involved a physical check with FD. Asset register will include all review cycles built in, including collection of all signatures confirming that an ongoing sample audit was taken. • Service Level Agreement - aim to review and finalise the service level agreement. However process has proved to be more complex than expected with a number of changes to the SLA drafted in 2016 to be drafted and approved. It is anticipated this being in place by year end. • Charge Card Expenditure – An external resource is being sought to carry out a review of procurement across the College, including the use of charge cards. Changes will be implemented and verified through use of internal audit time later in the year. • Cyber Insurance - the value for money and coverage will be assessed at the next renewal point. • Progress reviews – FD that skills coaches were central tracking, documenting everything discussed and ensured that everything is shared with the line manager and apprentice after the QR. The stage is to implement a signature step. <p>Committee felt that this format was very helpful. FD confirmed that there will be a validation check with the internal auditors, and nothing will be removed from the tracker until everything is completed. There were no further questions.</p> <p>Resolved that the audit output tracker had been received and noted by the committee</p>	
3.5	<p>Risk Management Strategic Risk Register FD advised that the strategic risk register had been fully reviewed by ELT with two new risks added since the December meeting:</p> <ul style="list-style-type: none"> • Risk that Ada tries to do too many different things to achieve learner volume / income growth, but fails to attract good numbers or delivers poorly; and • Failure to meet external minimum requirements to deliver programmes. for apprenticeships - losing OU validation, EPAO, or RoAP status. For Sixth Form losing Pearson accredited centre status or T Level delivery status. <p>Additionally two risks have been removed relating to the recent capital projects. Of the 23 strategic risks, seven have moved in a positive direction, one negatively and the remainder no change. There are two risks with a red residual risk rating:</p> <ul style="list-style-type: none"> • the risk around cashflow ;and • apprenticeship volumes. The committee asked how the College understood what the problems are and what were the actions to address them. FD agreed to update the mitigations. <p>Risk Appetite Statement The risk appetite statement has been developed by following the guidance on risk and corporate governance issued by the Institute of Risk Management (IRM) and by assessing the approaches used by other similar organisations. The statement sets out</p>	FD

	<p>how the College will balance risk and opportunity in pursuing the College’s mission and strategic objectives forming a key element of the College’s governance and risk management framework set by the Board of Governors. It was essential that for the College to be successful, the College must be a robust and financially sustainable organisation with sufficient capacity to deliver the mission and therefore the core risks must be well-managed. The statement to be reviewed annually in line with the refresh of the wider risk management policy and will be included within the governance cycle.</p> <p>The statement to read:</p> <p><i>“Ada accepts degrees of risk in delivering our ambitious strategy to ensure we achieve our mission to educate and empower the next generation of diverse digital talent. We recognise that our risk appetite will vary, but that our decisions will be based on the assessment of each opportunity, completion of appropriate due diligence and a review of the identified risks.</i></p> <p>The committee raised the issue of risks associated with safeguarding and reference within the statement. There followed a discussion on the premise in the risk appetite statement that safeguarding cannot be totally risk free but there must be a zero tolerance to non-compliance. The FD agreed to amend the statement accordingly to read:</p> <p><i>“In line with our statement on compliance we take a zero-tolerance approach to compliance with our safeguarding policy and procedures, whilst understanding that some of our activities will involve some risk”.</i></p> <p>This will then be taken to the Board for approval. The Committee thanked the FD for the work to develop the risk appetite statement and commented that it was a very helpful document with risks laid out clearly and well documented.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) Risk Management update was received and noted by the committee (ii) FD to update mitigations around red risk apprenticeship volumes (iii) Audit cycle of business to be amended to include risk appetite assessment to be reviewed annually (iv) Risk appetite to be revised and to go forward to the Board for approval 	<p>Clerk</p> <p>FD</p>
<p>3.6</p>	<p>Internal Audit Report</p> <p>Steven Connors from Validera, which provides the internal audit services to the College, advised on the plan for the remainder of the year based on the Internal Audit Strategy for 2023-24 which was presented following a refresh meeting with the ELT. Currently none of the reviews had taken place but assurance was given that all would be completed by end of July with the audit reports going to the committee in September and the end of year report in November. The duplication of some of the reviews allowed Validera to cover different areas within these reviews. It was agreed that the plan for 24/5 could be adapted as required. There were questions on the 23/24 schedule.</p> <p>In looking at the 24/25 plan the following were asked to be brought forward:</p> <ol style="list-style-type: none"> 1. Estate management as there were now two new sites (London and Manchester) and business continuity. FD and CEO to look at this. 1. IT cyber security and Information governance (health check). Whilst the College is currently going through the Cyber Essentials (which is a self-assessment and can be sensed checked), it is intended to then go for Cyber Essentials Plus. Cyber Essentials Plus is based on the same technical requirements as Cyber Essentials and starts with the Cyber Essentials verified self-assessment 	<p>FD/ CEO</p>

	<p>questionnaire however the difference is that Cyber Essentials Plus also included a technical audit of the IT systems to verify that the controls are in place. The resulting report to be presented at the next audit committee and a dedicated agenda item. The committee asked if in applying for Cyber Essentia Plus there were any capacity or resourcing issues. The CEO advised that there were cost implications, together with the risks of not doing this and staff push back, all of which added another layer of complexity. One compromise offered would be to have an internal audit by a 3rd party provider. The CEO and FD agreed that this would be completed by the next meeting and that they would provide the committee with the rationale for the decision.</p> <p>2. Discussion then centred on the requirement for a link governor referring to the training and safeguarding requirement In the "Meeting digital and technology standards in schools and colleges" Guidance January 2024. It was agreed that this should be put forward to the Board Membership committee. Imran Razzaq from the committee who was familiar with the IT requirements said he would be happy to take this on. Clerk to action.</p> <p>For reassurance the FD confirmed that the risks have been aligned with the internal audit plan and that the risk appetite would be aligned with the internal audit report which would help with sequencing and auditing with Validera confirming that they would look at the risk scoring and how effective controls are. There were no further questions.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> (i) Internal Audit Report was received by the committee (ii) CEO / FD to provide committee with decision about choice of Cyber Essentials v Cyber Essentials Plus (iii) Link Governor role for Cyber Security to Board Membership committee <p>Steven Connors left meeting at 13.43</p>	<p>CEO / FD</p> <p>Clerk</p>
<p>3.7</p>	<p>Health & Safety</p> <p>The report provided an update on the health and safety activity undertaken during the Autumn term and first half of Spring term 2023/24.</p> <p>Ada Manchester Ancoats</p> <p>Supporting the opening of the new Ada Manchester Ancoats building, the premises team have, working with the building contractor (Dragonfly), ensured statutory safety requirements have been met to allow for opening of the building on time. Work is ongoing with Dragonfly to complete their handover documented, including fully updated building schematics and service records. A specialist fire risk assessment was completed by an external consultant in February. No major issues were raised.</p> <p>Ada London Victoria</p> <p>At London Victoria, H&S related defects continue to be addressed, with all safety critical items addressed. Work is ongoing with the DfE and the building contractor to address a concern raised about the spacing between 2 fire doors during a fire risk assessment in late 2023, which has not yet been resolved . All planned preventative maintenance has been completed as scheduled.</p> <p>Procedures</p> <p>Following the move to a new larger building in Manchester and having settled into the London building, work is now underway to standardise all premises/safety policies and procedures. Documents are site wide, unless otherwise stated. Premises have also updated the local evacuation procedures for each site to streamline these and create a standard template and are in the process of preparing to communicate these changes to staff and learners, starting with Manchester Ancoats.</p> <p>Health & Safety Policy</p>	

	<p>The H&S policy has been updated to include both premises under one policy. This policy will be submitted to the Board on 21/03/24 for final approval.</p> <p>Resolved that:</p> <p>(i) the Health & Safety Report was received and noted by the committee</p> <p>(ii) the Health & Safety Policy was reviewed and recommended to the Board for approval</p>	
3.8	<p>GDPR Update</p> <p>FD confirmed that there had only been one FOI request concerning research on student support.</p> <p>Resolved that the GDPR updated was received and noted by the committee</p>	
3.9	<p>Any Other business</p> <p>There was no further business.</p>	
3.10	<p>Items to be taken forward to next Board Meeting</p> <ol style="list-style-type: none"> 1. Risk Register and revised risk appetite statement 2. Health and safety policy 	Clerk
3.11	<p>Date of Next meetings</p> <ol style="list-style-type: none"> 1. 19 June 2024 	
	<p>Close of Meeting</p> <p>Meeting closed at 14.12</p>	