

Hereward College



Minutes of: AUDIT COMMITTEE

Date: 19th June 2023

Time: 5:30 p.m.

Place: via Microsoft Teams

Present: Mr S Brand (Chair)
Mr S Crick
Mr M Crook
Ms H Hillyard

In attendance: Mrs R Barnes (Vice Principal Finance and Resources) (from item 22/57)

Mr M Benson (Murray Smith)
Ms N Tucker (Murray Smith)
Mr J Creed (ICCA-ETS)

Mrs Y Doherty (Director of Governance)

22/55 APOLOGIES

Apologies for absence were received from Mr K Sonecha.

22/56 MEETING WITH THE AUDITORS

Members of the Committee met with the Auditors without College management.

Internal Audit Service

Two points were raised:

- ESFA Mock Funding Audit

It was reported that there had recently been a number of discussions with regard to finalising the ESFA Mock Funding Audit Report (for consideration later in the meeting). The position had resulted in 'agreeing to disagree'.

The issue related to the element of the Distance Learning provision that was managed via a third party, and the robustness of the evidence that was being relied upon.

The specific point related to signatures that were provided via typing into a form, but that there was no audit trail to evidence that individual existed.

This could be resolved by the provision of evidence from the third party.

The management response had been based on the position that this only related to a small amount of the overall provision.

However, IAS emphasised that in order to comply with the funding rules the College must be satisfied that the learner was validated/approved and to have this information provided.

It was highlighted that there was no funding risk associated with the IAS identifying this issue, but that it could be a different position should a funding auditor consider that the rules were not complied with.

It was suggested that distance learning provision associated with a third party was inherently of higher risk.

Discussion points:

It was suggested that requesting the evidence from the third party would not be onerous.

This was agreed and that the evidence should be provided.

It was suggested that the opinion of the newly appointed Vice Principal Finance and Resources should also be sought.

The process and any subsequent audit was queried, including potential clawback. It was confirmed that any process that was 'not direct' was inherently risky.

The EAS also expressed the opinion that there was a need to request the evidence to be secure of the income.

- **Audit Planning 2023/24**

The report did not meet the 7-day deadline for distribution as discussions on the proposed 2023/24 plan had been continuing.

It was highlighted that the proposed plan did not contain any financial aspect, key income/expenditure/financial controls nor a funding audit. It was suggested that on the basis of the currently proposed plan the IAS would not be able to provide a complete annual internal audit opinion.

The Chair confirmed that he had had communication with the interim and permanent Vice Principals Finance and Resources regarding the proposed plan for 2023/24, and that the interim Vice Principal had provided detail of the previous discussion with the IAS.

External Audit Service

Mr Benson expressed thanks for the appointment of Murray Smith as the External Audit Service. He confirmed that there had been an initial meeting with the interim and permanent Vice Principals Finance and Resources.

A letter of engagement had been sent to the interim Vice Principal Finance and Resources.*

*copy to be provided to the Committee.

[ACTION]

RB

It was queried if there were any sector developments that the Committee needed to be aware of. It suggested that there was nothing other than the ONS reclassification of the FE sector, which was impacting other colleges sooner than it was expected to be the case for Hereward. It was recognised that specific detail was still to be published.

It was questioned if the change was something the College should be concerned about. It was advocated that this would only be the case if the College were planning to borrow money or subject to cash restraints. The current position was onerous for those Colleges in this situation. In the longer term the FE sector would become more integrated into central government and the debate on a suggested change of year end (to March) was continuing.

Awareness of the change/restrictions relating to permitted borrowing was confirmed.

The College Management joined the meeting.

The Chair noted that there were a number of new attendees to the meeting (VP Finance and Resources and EAS) and introductions were made.

22/57

DECLARATIONS OF INTEREST

There were no declarations of interest.

The Chair indicated that to assist with efficiency, the meeting would proceed on the premise that members had read the reports in advance.

He also highlighted that it would be appreciated if any members who could not attend meetings could review the reports and send in questions/queries in advance so that they could be considered at the meeting. [ACTION]

FOR DECISION

22/58 MINUTES OF THE LAST MEETING

The minutes of the previous meeting on 6th March 2023 (circulated, document June 23/1) were considered.

It was **RESOLVED THAT** the minutes of the meeting held on 6th March 2023 be approved.

22/59 MATTERS ARISING / ACTIONS

MATTERS:

The Chair highlighted the following developments since the last meeting:

- Newly appointed EAS
- AoC briefing update provided by the Vice Principal Finance and Resources
- Consultation on college borrowing/ financial handbook/ year-end
- Incident of fraud – to be considered later in the meeting
- Governor appointments – an update was provided

ACTIONS:

59.1 Actions Report

The Committee considered the Actions update report (circulated, document June 23/2)

22/41 *Actions/Matters Arising:* Report on the Review of IT systems

Members to provide detail on any resources for supporting the use of existing systems to the Interim Vice Principal Finance and Resources.

Response March 2023:

Detail had been provided, and the possibility of support from Ms. Hillyard. A specialist in Sage had been engaged for a two-day project to review the current position and provide proposals for improvements that could be implemented.

Response June 2023:

Report from Sage Consultant provided to the Committee.

Points raised:

How many of the recommendations had been implemented?

Which version of Sage was the College using – on premise or cloud version?

How to ensure updates are not missed?

Vice Principal Finance and Resources to report to next meeting

[ACTION]

22.41 *Accommodation Strategy*

The Accommodation Strategy be uploaded to the Portal for members of the Committee who did not sit on the full Board

Response:

Uploaded.

COMPLETE

22/47 IAS Report: Health & Safety 02.22/23

- Training and Development

Recommended actions on target for the agreed completion date (24th April / 27th May)?

It was agreed that an update on this should be provided at the next meeting

Response:

Training Matrix provided to the Committee

COMPLETE

22/50 Deep Dives

- IT systems and Services

The engagement of a consultant to review the current usage of Sage and identify improvements that could be implemented. Anything of relevance to be shared with the Committee by the Interim Vice Principal Finance and Resources.

Response:

See 22/41 above

- Curriculum Planning / costings / funding

It was suggested that this should consider and provide assurance around the process and the need for any flexibility to respond to external pressures such as inflation.

It was advocated that this area felt like one of the largest risks for the College.

It was suggested that there was a need for assurance that the processes accurately cost the service provision / model, and the processes of recovery.

It was proposed that some level of assurance could be provided with more detailed commentary provided in the proposed budget that would be presented for approval in June. It was commented that it would also be possible to strengthen the scenario testing when the budget was presented.

Response:

Carried forward to consideration of the Budget at the Corporation meeting 29th June 2023

It was also suggested that the Interim Vice Principal Finance and Resources could provide recommendations for any amendments to processes once the current cycle was complete.

It was agreed that this remain a watching brief pending completion of the current processes with a possible deep dive to be confirmed for the next academic year.

Response:

Carried forward

22/53 Any Other Business

- Supplier Payments

It was agreed that the Committee receive an update report at the next meeting that all actions had been completed/cleared.

Response:

Bank details have been entered onto the Sage purchase ledger record.

100% checks of bank details to invoice are being carried out for each payment run.

Any anomalies are resolved by reference to a known contact.

These checks will be scaled back when a report on changes to bank details can be run.

COMPLETE

It was **RESOLVED THAT** the update against the actions from the previous meeting be noted and received.

59.2 RSM

The Committee considered a report on the resignation of the external auditors, RSM, and compliance with the provisions of paragraph 28 of the Post 16 Audit Code of Practice (circulated, document June 23/3).

The Post 16 Audit Code of Practice stipulates at paragraph 28:

The corporation does not routinely need to notify ESFA of a change in auditor at the expiry of their agreed term in office. However, the audit committee must notify ESFA immediately of the resignation of external auditors mid-term, or in the rare circumstance where the corporation removes the external auditors, before the expiry of their term of office. Where auditors have resigned, other than at the end of their agreed term, the audit committee must copy to ESFA an explanation from the auditors. Where the corporation elects to remove the auditors, the audit committee must notify ESFA of these reasons

The required correspondence was provided as an attachment to the report.

It was **RESOLVED THAT** the report on the resignation of the external auditors, RSM, and the Post 16 Audit Code Practice be noted.

22/60 EXTERNAL AUDITORS**External Audit Plan for year ended 31st July 2023**

The Committee considered the Draft External Audit Plan for year ended 31st July 2023 (circulated, document June 23/4).

Ms Tucker drew attention to

Section 2: Scope of Engagement (page 4) and in particular the assessment of the risk level for the audit as medium on the basis that this was the first year of engagement (it was anticipated that it would reduce in subsequent years).

Section 6: Significant risks and key judgemental areas (page 9)

- Revenue recognition
- Going concern
- Management override of controls
- Expenditure and value for money
- Payroll
- Accruals and prepayments
- Capital expenditure and fixed assets

It was anticipated that the onsite work would begin week commencing 02 October 2023.

Discussion points

It appeared standard and comprehensive.

There may be challenges associated with the newness of the EAS and Vice Principal Finance and Resources

The Vice Principal Finance and Resources was asked to comment on the timeline (Section 8, page 13)

No issues were raised, and the college finance team had scheduled planning meetings to meet the timeline.

It was **RESOLVED THAT** the External Audit Plan for year ended 31st July 2023 be recommended for approval by the Corporation.

22/61 REGULARITY SELF-ASSESSMENT QUESTIONNAIRE

The Committee considered the Regularity Self-Assessment Questionnaire 2022/23 (circulated, document June 23/5).

It was noted that this had been updated in response to the ONS reclassification. The revisions were shown via tracked changes. It had initially been populated with the responses from 2021/22 and these would now be reviewed and amended for 2022/23.

The updated version for 2022/23 would be presented at the Audit Committee meeting in September 2023. **[ACTION]**

It was **RESOLVED THAT** the Regularity Audit Questionnaire for 2022/23 be noted.

22/62 AUDIT COMMITTEE 2023/24

The Committee considered the proposed meeting dates and business cycle for the 2022/23 academic year (circulated, document June 23/6).

The dates were in line with the meetings held in 2022/23.

The business cycle, which provides a minimum outline of business (subject to additions as required) was considered, along with the existing Committee Terms of Reference.

Discussion points:

Should consideration be given to the Committee reviewing the Anti-Fraud Policy in September in light of the recent fraud incident (to be considered later in the meeting).

This was agreed. **[ACTION]**

Consider on site meetings / hybrid meetings as well as Teams. Aim for at least one meeting, in person, on site.

This to be considered /arranged after this meeting. **[ACTION]**

It was **RESOLVED THAT**, subject to the amended presentation of the Anti-Fraud policy, the proposed meeting dates and business cycle for 2022/23 be agreed.

22/63 DEEP DIVES**Future Deep Dives**

The Committee considered the report on Deep Dives (circulated, document June 23/7) with detailed discussion of the future schedule.

The report identified current watching briefs:

Curriculum Planning / costings / funding (SR 1-1; SR 2-1; SR 2-4)

Income / diversification of income

Detailed discussion/feedback points on future deep dives included:

- Policies – brought to Corporation and Committee for approval, how are these disseminated, what assurance is there of staff understanding, how actively used are they?

It was suggested that it might be worth considering this against the induction programme and mandatory training requirements.

Discussion of the potential approach to a deep dive around policies included suggestions of seeking assurance from a risk management perspective on

- how well the procedures were communicated / embedded
- signatures against policies (similar to that required to confirm having read and understood Part 1 of KCSIE)
- how does the college know that the policies are working?

- what assurances were possible through reporting (as per safeguarding to the Board)
- how well embedded – via training / ways of working
- test framework of control linked to policies – choose individual policies
- too small for an IAS review so consider as a deep dive

- Curriculum Planning / costings / funding

It was suggested that the continuing issues with inflation increased the risks

Should this be covered by IAS?

Is the pricing model correct, does it meet / fund as per contractual arrangements?

What scope is there for inflationary increases to be actioned, current increases do not match with the rises in inflation

Links to wider issue of staffing ratios / costs

Risks –

- how well does the pricing model provide protection regarding contractual arrangements?
- if inflation continues to rise – the ability to protect against the need to absorb the costs
- if the structure is inflexible how quickly can the organisation react to inflationary increases/pressures
- the need to find other ways to cut costs / increase commercial revenue

In terms of a deep dive –

- how to gain more assurance on the breakeven point and contributions via curriculum planning
- to gain assurance that the college is managing the provision of learning within a reasonable cost base
- at what point would it not be possible to deliver it
- how well does the college identify when a particular course / package is no longer viable in term of contribution to overheads
- currently report by cost type, there is no reporting by activity areas – identify and report on this basis

It was noted that there were numerous aspects to this and it was suggested that there was a need to be more specific with regard to the parameters of any deep dive relating to Curriculum Planning / costings / funding, which would necessitate further discussion outside of the meeting.

It was **RESOLVED THAT**

- i. a deep dive around policies be presented in the autumn term (date TBC) **[ACTION]**
- ii. the schedule of deep dives be further reviewed at the next meeting (September 2023), when the reviewed strategic risk register would also be presented. **[ACTION]**

22/64 POLICIES

The Vice Principal Finance and Resources provided an update report concerning the review of policies (circulated, document June 23/8).

FOR COMMITTEE APPROVAL

64.1 Treasury Management Policy

Amended following reclassification to allow for Managing Public Money. Since distribution additional amends had been identified. Detail was provided.

Discussion points included:

Liquidity policy – detail on investing surpluses/interest on cash holdings – more detail to be provided.

In the interim look at what alternatives are available within existing banking facilities.

It was **RESOLVED THAT** further discussion should take place before the policy is approved. **[ACTION]**

64.2 Value for Money Policy

Review only. No changes to legislation or regularity framework.

It was **RESOLVED THAT** the Value for Money Policy be approved.

FOR RECOMMENDATION TO CORPORATION

64.3 Financial Regulations

Amended following reclassification to allow for Managing Public Money and to reflect amended role titles.

It was **RESOLVED THAT** the Financial Regulations be recommended for Corporation approval.

64.4 Business Continuity Plan

Amended to reflect changed role titles. No changes to legislation or regularity framework

It was **RESOLVED THAT** the Business Continuity Plan be recommended for Corporation approval.

22/65 INTERNAL AUDIT: Internal Audit Plan 2023/24

Mr Creed presented the draft Internal Audit Plan 2023/24, (circulated, document June 23/9)

It was highlighted that the plan included the proposed reviews as per the pre meeting with college management:

Student Admission Process

Student Journey

Key Business Systems

Residential Accommodation

As discussed, it was confirmed that the plan as presented would not lend itself to an unmodified opinion from the IAS.

The issue of no planned audit around financial controls was raised.

It was agreed that there was a need to acknowledge the changes to the finance staff that had taken place over the last few years. The college had gone from having a team of long serving staff to a lot of changes in a short space of time.

The need for assurance around financial control was raised and if this was possible via the plan as presented.

Mr Creed commented:

- that there would be a need to ensure that there was no overlap between the Student Admission and Student Journey reviews.
- the Key Business Systems review could be replaced with a finance control review
- the residential review was very niche and it was anticipated that specialist organisations would provide better value (than ICCA)

Discussion included:

- Student Admissions could include pricing of packages
- What is the process – turn assessments into financial business case?
- Student Journey – from recruitment, what are the retention mechanisms to ensure against withdrawal?
- Be sure that there is a clear separation around scope
- Key financial controls – operation of systems, nuances – how well does the finance department service stakeholders. This could be extended to include working with budget holders (RB/JC to discuss) **[ACTION]**
- Residential – quality assurance, if this was about the CQC, ICCA would not have the expertise, generic quality assurance processes could be looked at, but it was unclear what this would add in preparation for a CQC inspection
- Position with not having an ESFA Mock Funding Audit – why not / what benefit. It was suggested that this could be attributable to having just completed one. It was highlighted that the college was in scope for a funding audit (ESFA).

It was suggested that as the plan contained two reviews focussed on students it should include something around financial controls and an ESFA Mock Funding Audit, with a particular focus on how to obtain substantial assurance.

The EAS auditors commented that it was important to follow the guidance of the IAS as historically they provided the overall opinion on systems of control.

It was **RESOLVED THAT**

- i. the Vice Principal Finance and resources would meet with Mr Creed to revise the proposed IAS plan for 2023/24 (on the basis of the discussions) **[ACTION]**
- ii. a revised plan would be issued to Committee members for review and agreed recommendation to the Corporation meeting scheduled for 29th June 2023. **[ACTION]**

FOR INFORMATION

22/66

INTERNAL AUDIT

65.1 Internal Audit Reports

66.1.1 ESFA Mock Funding Audit 01.22/23

Mr Creed presented the ESFA Mock Funding report, (circulated, document June 23/10)

The objective of the audit review was to provide an independent assurance opinion that the control framework in operation in respect of the ESFA funding supports compliance with the relevant agencies requirements as defined within the ESFA funding rules 2022/23.

OVERALL ASSURANCE CONCLUSION:

Design: **GOOD**
 Application/Compliance: **ADEQUATE**
 Assurance Opinion: **REASONABLE**

The report contained five recommendations:

Two **medium** and three **low** relating to application / compliance.

The recommendations related to:

3.1 Enrolment, eligibility and existence (**medium**)

The College should review enrolment processes to ensure that all enrolment forms are completed prior to the commencement of learning.

In relation to AEB distance learning activity where the College uses third parties to complete enrolment paperwork, the College should introduce process requirements and checks to ensure that

the electronic signatures provided are 'non-refutable', retaining effective and reliable evidence to support its funding claim and satisfy ESFA requirements. Management Agreed

3.5 Attendance (medium)

The College must ensure that evidence of ongoing learning and participation is held for all students and that start, and planned end dates recorded on the ILR can be supported by register or alternative attendance evidence.

Compliance checks should be conducted earlier in the year to ensure that input data is accurate and verifies to registers or alternative attendance evidence Management did not Agree

3.2 Accuracy of source data (low)

The College should ensure that accuracy checks are undertaken throughout the year to reconcile key details of a students' programme recorded on the ILR, to ensure that they reflect the programme and detail which they have agreed to with the student. Management Agreed

3.3 Planned Hours (low)

The College should ensure planned activity is reviewed to ensure the student is expected to attend all aspects of the study programme included within the timetable of study, providing a clear reconciliation to the ILR. Spot checks should be undertaken of this as part of ongoing ILR data controls. Where students have not attended specific aims that have been counted in the planned hours then this should be re-reconciled and amended accordingly. Management Agreed

3.4 Full and Co-Funding (low)

The College should ensure that data relating to programme eligibility is collected, declared, and retained to substantiate and confirm the funding claimed. Management Agreed

It was noted the 4 of 5 recommendations had been agreed.

Discussion points included:

The Vice Principal Finance and Resources felt that all of the recommendations should have been agreed. This would be reviewed and the report amended. Going forward this would be reported on as part of the report on progress against audit recommendations. [ACTION]

It was commented that it was felt that some of the issues were of a recurrent nature.

It was **RESOLVED THAT** the ESFA Mock Funding Audit 01.22/23 report be noted and received.

66.1.2 HR Performance Management 04.22/23

Mr Creed presented the HR Performance Management report, (circulated, document June 23/11).

The objective of the audit review was to provide an independent assurance opinion that the College's performance management framework is sufficiently robust and effective.

OVERALL ASSURANCE CONCLUSION:

Design: **GOOD**
Application/Compliance: **ADEQUATE**
Assurance Opinion: **SUBSTANTIAL**

The report contained one recommendation categorised as **medium** risk, relating to application / compliance.

The recommendations related to:

3.1 Compliance (medium)

The College should take the following actions:

- Provide update training to all staff on the purpose of the Performance Review Procedure in the context of the new HR system, reinforcing their responsibility in ensuring the completion of their PDP review;
- Deliver refresher training to all appraisers on the setting of SMART targets and the importance of the full completion of all appraisal documentation;
- Continue to provide staff performance management training for new managers; and,
- Utilise the reporting function of the new HR system to provide regular updates to the SLT on the timeliness and quality of the completion of the proformas used in the appraisal procedure

Management Agreed

It was **RESOLVED THAT** the HR Performance Management report 04.22/23 report be noted and received.

66.1.3 Follow Up 05.22/23

Mr Creed reported on the Follow Up audit report, (circulated, document June 23/12).

The objective of the audit review was to provide an independent assurance opinion that progress with implementing previously agreed recommendations is satisfactory in the context of ensuring that there is no significant risk to the College being able to meet its strategic aims.

OVERALL ASSURANCE CONCLUSION:

Assurance Opinion: **SUBSTANTIAL**

It looked at performance against the recommendations made in 2021/22.

In 2021/22 there had been 12 recommendations.

8 (70%) had been fully implemented, with the remaining 4 (30%) having been found to be superseded.

It was **RESOLVED THAT** the Follow Up report 05.2022/23 be noted and received.

66.2 Progress against the Internal Audit Annual Plan 2022/23

Mr Creed presented an update on progress against the Internal Audit Plan 2022/23 (circulated, document June 23/13).

All of the planned reviews had been completed.

Report Reference	Audit Title	Start Date/ Status	Design	Application/ Compliance	Overall Assurance	H	M	L	A
Report 01	ESFA Mock Funding Audit	FINAL	Good	Adequate	Reasonable	-	2	3	-
Report 02	Health and Safety	FINAL	Good	Adequate	Substantial	-	1	1	-
Report 03	Key Financial Controls	FINAL	Good	Adequate	Substantial	-	1	1	-
Report 04	HR Performance Management	FINAL	Good	Adequate	Substantial	-	1	-	-
Report 05	Follow-up of Previous Recommendations	FINAL	N/A	N/A	Substantial	-	-	-	-

It was noted that no high-level recommendations had been made.

It was **RESOLVED THAT** the progress report against the IAS Annual Plan 2022/23 be noted and received.

22/67 **PROGRESS AGAINST THE AUDIT RECOMMENDATIONS**

The Vice Principal Finance and Resources presented a report which set out progress against audit recommendations (circulated, document June 23/14).

The report contained those recommendations arising, and outstanding, from the audits completed from 2020/21 onwards.

Discussion/feedback confirmed that there was nothing of note.

It was **RESOLVED THAT** the Progress Against Audit Recommendations report be noted and received.

22/68 **RISK MANAGEMENT - Update Report**

The Vice Principal Finance and Resources provided an update report on Risk Management (circulated, document June 23/15).

It was confirmed that

- The strategic risk register had been updated to reflect current controls and residual risk.
- The Actions List had been updated to include progress, as well as any revised target dates and new actions that had been identified.
- An update on Health and Safety was provided.
- Regular updates on the strategic and operational risks facing the College were also provided in the finance paper submitted to each Corporation meeting.

Points highlighted included:

A number of residual scores had been reduced following the outcome of the Ofsted inspection. Detail was provided. The risks relating to COVID had been removed.

In terms of risks that were assessed as 'significant' there had been no major changes.

The Residual Risk Level of SR4-7 '*Failure to provide fit for purpose IT systems and services, limiting College productivity & increasing the risk of Cyber-attacks & data breaches*' had been **increased** to Contingency to acknowledge that the threat level within the UK is currently high in spite of the preventative actions that have been taken.

Discussion points included:

Had consideration been given to the Financial Statements and any sensitivities with regard to what may need to be disclosed.

The potential for the college security cameras to have footage regarding disposal of nitrous oxide canisters on college property was raised.

It was **RESOLVED THAT** the Risk Management Update report be noted and received.

22/69 **GIFTS AND HOSPITALITY**

The Disclosure of Gifts and Hospitality report was considered (circulated, document June 23/16).

It was noted that the information on the requirement to declare the receipt of gifts or hospitality was contained within the Corporation Standing Orders, Financial Regulations and Staff Handbook.

It was reported that there were no declarations of gifts or hospitality received.

It was **RESOLVED THAT** the Disclosure of Gifts and Hospitality update be noted and received.

22/70 **PUBLICATIONS**

- **Post 16 Audit Code of Practice 2022/23**

The report on the new Post 16 Code of Practice was considered (circulated, document June 23/17).

The revisions were identified via tracked changes.

It was noted that this included:

- additional provisions in response to the ONS reclassification of FE colleges as public sector
- the publication of ESFA bite size guides to aid in the transition to meeting requirements/obligations arising from the reclassification
- amends to the provisions relating to subcontracting

It was **RESOLVED THAT** the report on the Post 16 Audit Code of Practice be noted and received.

22/71 **ANY OTHER BUSINESS**

- *Fraud Incident*

The Vice Principal Finance and Resources provided an update report on an incident of fraud (circulated, document June 23/18).

The report provided detail on the incident and the related circumstances. This had arisen as a result of taking action against what had turned out to be a spurious email.

Discussion points:

The Chair confirmed that he had been made aware of the incident and had an email exchange with the Interim Vice Principal Finance and Resources (shared with the Director of Governance). This had included the opinion with regard to the significance of the amount involved.

A number of potential actions had been raised including

- Review the policy / procedures to ensure that they were sufficiently robust and to raise their profile with college staff
- Test the effectiveness of the risk management environment
- Use of 'spoof' emails - with sensitivity and as appropriate, with comprehensive communication to staff to ensure understanding that the use of such mechanisms was good practice, to provide training and offer protection to the organisation and individuals.

It was **RESOLVED THAT** the report on the fraud incident be noted and received.

22/72 DATE OF THE NEXT MEETING

The date of the next meeting was noted as 25th September 2023

The internal and external auditors left the meeting.

FOR DECISION – COMMITTEE MEMBERS ONLY

22/73 PERFORMANCE REVIEW OF INTERNAL AUDITORS

Prior to the meeting Committee members were requested to consider and evaluate the performance of the IAS against the quantitative and qualitative KPIs (circulated, document June 23/19).

Members were requested to provide detail in support of their evaluation.

It was noted that some responses had been received, including from the Interim Vice Principal Finance and Resources.

Discussion points included:

There were no fundamental issues

Service was professional and concise

There were no concerns

Those members still to provide feedback were asked to do so. The Director of Governance would collate responses and provide the completed document to the Chair of the Committee. The Chair of the Committee would provide the feedback to ICCA.

It was noted that 2022/23 was the fourth year of the contract. The contract allowed for annual extensions for up to two years, after the initial three-year contract, subject to Audit Committee review and recommendation. It was agreed that on the basis of the completed performance review the Committee recommended the annual extension for 2023/24. It would now be necessary to tender for the IAS during 2023/24, for a contract beginning 01 August 2024. **[ACTION]**