Heart of Yorkshire Education Group Corporation ('Corporation')

Board of Governors ('Board')
Audit Committee ('Committee')

Minutes of the Meeting held on 12 June 2024 ('Meeting')

Present:	Nigel Brook ('Chair'), Jason Brook, Jayne King and Martyn Shaw.
	Head of Governance and Legal Services ('Clerk')
In attendance:	Group Executive Director of Finance and Resources ('JP'), Jonathan Creed (ICCA-ETS) (until minute 9)
Absences:	Faye Banks

1. Welcome and Apologies for Absence

The Chair welcomed the attendees, reported that due notice of the Meeting had been given, that Faye Banks had not confirmed her attendance and was not expected to be present but that the Meeting was quorate. Accordingly, the Chair declared the Meeting open.

2. Declarations of Interest

The Chair asked for declarations of interest. None were made.

3. Minutes of the Meeting held on 5 March 2024

IT WAS RESOLVED THAT the minutes of the meeting of the Committee of 5 March 2024 were approved.

4. Matters Arising

4.1. The Clerk noted the following matters arising:

4.1.1. On matter arising 4, JP noted that significant work had been done on cyber security, and the risk level was not deemed to need increasing. He noted that upcoming external reviews and Cyber Essentials certification were expected to reassure Governors.

4.1.2. On matter arising 5, JP noted that the next risk register iteration would order risks from highest to lowest.

5. Risk Management, Internal Control and Governance

5.1. The Committee reviewed the Risk Register 2023/24 Update.

5.2. Members asked about the recruitment risk. JP noted that the Group was redesigning its pay framework to address real living wage concerns and was consulting with unions. Despite a funding increase, he explained that the Group faced challenges due to less funding compared to schools making recruitment challenging.

5.3. The Committee reviewed the upcoming year's risk register, which showed minimal changes. JP noted that cyber security risks might decrease with upcoming external assessments.

5.4. Members:

5.4.1. Noted that cyber-attack risks were rising across the economy, referencing recent incidents like those in the NHS and that, therefore, this risk seemed unlikely to decrease. JP noted actions taken to mitigate this risk. The members asked that this risk should be kept under review.

5.4.2. Raised concerns about setting risk ambitions that might never be

achievable. They noted each area with a risk gap needed an evaluation of whether the risk appetite could realistically be met and what actions were necessary to achieve this. If risks could not be mitigated to the desired level within a few years, a reassessment of the risk appetite was advised. The Committee asked for an opinion on this at the next meeting.

5.4.3. IT WAS RESOLVED THAT the draft Risk Register 2024/25 be approved.

6. Status of Previous Audit Recommendations

The status of previous audit recommendations was reviewed. No overdue items were noted, and a past recommendation concerning the Board Assurance Framework was discussed, highlighting that the framework had been superseded by updated risk management practices.

7. Internal Audit Reports

7.1. The internal audit report on health and safety was presented, showing substantial assurance overall. Good work was noted in health and safety management, although inconsistencies in risk assessments across different departments were identified. Engineering and Construction had fewer risk assessments than expected, compared to other areas like Hair and Beauty, indicating a need for more consistent engagement. JC outlined the ongoing efforts to improve engagement in risk assessments including stricter measures if engagement remained low. JP noted that since the previous review, an additional 530 risk assessments had been conducted, particularly in high-risk areas. Despite some persistent gaps, such as in Hair and Beauty at Selby, progress was noted.

7.2. Members:

7.2.1. Suggested the appointment of a Health and Safety Lead Governor.

7.2.2. Queried compliance with legislation, including legionnaires' checks and fire safety. It was confirmed that regular inspections and compliance measures were in place, with specific attention to the poorly designed Jubilee building. Contractors had been engaged to address these issues.

7.2.3. Congratulated the Health and Safety Team.

7.3. Members were given an overview on the internal audit report on the Group's ILR

submission framework which had received substantial assurance. It was noted that progress had been made in consolidating funding claims across the merged colleges and a compliance checklist was being rolled out.

7.4. Members asked for an update on efforts to fill key compliance positions which they were told were ongoing. The Committee noted the importance of timely and accurate data submissions to avoid funding issues.

8. ESFA Apprenticeships Audit Update

Please see the confidential minutes.

9. Audit Services Procurement Update

9.1. JC left the Meeting.

9.2. The procurement process for audit services, facilitated by a purchasing consortium, was outlined by JP. Despite broad interest, it was noted that only RSM submitted a quote for the Group's Financial Statements Auditors. This was higher than the sector average, but JP considered it reflected the Group's complex structure, including apprenticeships, multiple AEBs, and Higher Education.

9.3. Members discussed concerns about RSM's previous performance at Selby, contrasting with positive experiences at Wakefield. The Committee acknowledged the need to ensure rigorous auditing practices and considered the higher cost justified by the institution's complexity.

9.4. For internal audit, JP explained that ICCA had scored highest of the tenders received due to their experience with ESFA funding audits, which was deemed necessary for the next few years.

9.5. Members discussed the length of time each had already served as auditors for the Group.

9.6. The board discussed the need for references but confirmed they were ready to recommend ICCA and RSM.

9.7. IT WAS RESOLVED To recommend RSM and ICCA as the Group's audit partners for a period of five years each.

10. Review of Effectiveness of Meeting and Identification of Emerging Risks

The meeting concluded with a reminder from the Chair to provide feedback on the meeting format and performance. Following a member query, it was noted that the Committee had annual private sessions with auditors, and the possibility of scheduling more in-depth meetings was acknowledged. The upcoming audit meeting dates were confirmed, and the Chair thanked everyone for their attendance and contributions.



Signed…… Date: 26/11/2024

Actions

No.	Minute	Details	Deadline	Responsibility
1	4.1.2	On matter arising 5, JP noted that the next risk register iteration would order risks from highest to lowest.	The next Committee meeting	JP
2	5.4.2	Members raised concerns about setting risk ambitions that might never be achievable. If risks could not be mitigated to the desired level within a few years, a reassessment of the risk appetite was advised. The Committee asked for an opinion on this at the next meeting.	The next Committee meeting	JP
3	7.2.1	Members suggested the appointment of a Health and Safety Lead Governor.	The next Committee meeting	Clerk

4	8.3	Members asked for the matter [ESFA audit] to be flagged to the Board.	The next Board Meeting	JP
5	9.7	IT WAS RESOLVED To recommend RSM and ICCA as the Group's audit partners for a period of five years each.	The next Board Meeting	JP