Heart of Yorkshire Education Group Corporation

Audit Committee (Committee)

Minutes of the Meeting held on Monday 9 June 2025 at 4.00pm via MS Teams ('Meeting')

Present: Nigel Brook (Chair), Jason Brook, Jayne King

In attendance: Sam Cremore, Head of Governance and Legal Services (Clerk); and Caroline Carter, Group Executive Director of Finance and Resources (GEDFR)

External Attendees: Vici Cadwallader-Webb (ICCA); and Richard Lewis (RSM)

Apologies: Mohammed Ayub

1. **Welcome and Apologies for Absence**

The Chair welcomed all attendees, confirmed that the meeting had been validly called and was quorate. Apologies were received from Mohammed Ayub.

2. **Declarations of Interest**

No declarations of interest were made. Members were reminded to declare any interests that may arise during the meeting.

3. **Minutes of the Meeting held on 4 March 2025**

The minutes of the previous meeting were reviewed.

IT WAS RESOLVED THAT the minutes of the Audit Committee meeting held on 4 March 2025 were approved as an accurate record.

4. **Matters Arising**

The Clerk provided an update on the matters arising from the previous meeting. All actions were reported as complete, with the exception of item 5, which related to the review and potential merging of the Anti-Fraud and Anti-Bribery Policies and the renaming of the Whistleblowing Policy. He noted that this would be addressed in the next review cycle.

5. Status of Previous Audit Recommendations

5.1. The GEDFR presented the updated audit recommendation tracker. Key updates included:

5.1.1. The tracker now included the original recommendation text for clarity.

5.1.2. Target dates had been added for incomplete actions.

5.1.3. Of the 19 recommendations carried forward, 16 were complete.

5.1.4. Three remained outstanding, including one related to signed contracts in People Services, which may be delayed due to staffing issues.

5.2. Questions and answers:

5.2.1. Q: Do relevant updates get reported to the Finance, People and Resources Committee? A: They haven't been previously, but going forward, they will be included in the regular Finance report.

5.2.2. Q: Is the 85% completion rate based on all actions or only those due by now? A: It reflects all 19 recommendations, with 16 either fully implemented or as complete as reasonably possible.

5.2.3. Q: What does the green colour coding on the tracker indicate? A: Green highlights items that had issues last time and still require attention, not necessarily completed items.

5.2.4. Q: Are we on track with the apprenticeship-related actions? A: Yes, those are now considered complete and will move into business-as-usual monitoring.

6. Risk Management, Internal Control and Governance Including: Risk Register 2024/25 Update and Risk Management Policy

6.1. The GEDFR presented the updated Risk Register and the revised Risk Management Policy. Key points discussed included:

6.1.1. A full review of the Risk Register had been conducted:

6.1.1.1. Three existing risks had been updated relating to cybersecurity; attraction, development and retention of staff; and Apprenticeships delivery.

6.1.1.2. Three new risks had been proposed relating to business continuity planning, recognised as a best practice inclusion; governance recruitment, retention and development, being a crucial risk for all colleges; and the new build at Castleford, due to the risk of delay and budget overspend.

6.1.1.3. A new column was added to the Risk Register to indicate which risks were likely to carry over into 2025/26.

6.1.2. A full review of the Risk Management Policy had been carried out with amendments including the inclusion of operational risks, with high or very high risks being reported to the Committee and the Board; the inclusion of standard risk rating wording; target dates to bring risks within tolerance; and five instead of four scoring categories for a better breadth of risk assessment.

6.2. Questions and answers:

6.2.1. Q: Should the risk around DfE approval requirements be included given the recent incident? A: Hopefully this was an isolated incident, and steps have been taken to mitigate this.

6.2.2. Q: Is the cybersecurity risk appropriately rated? A: Yes, the increase in impact score aligns with sector-wide risk radar trends.

6.2.3. Q: Are we comfortable with the staffing risk rating given student feedback on agency reliance? A: Yes, the Group level risk is appropriately rated, though some curriculum areas may have higher individual risk scores, others will also have lower, so Exec feel the overall score reflects the position of the Group as a whole.

6.2.4. Q: When a risk is out of tolerance, will further actions be taken to bring it within the Board's appetite? A: Yes. If a risk is outside the Board's stated appetite, the organisation must either reassess and potentially adjust the appetite if it is deemed too conservative or implement further mitigations to reduce the risk to within the accepted level.

6.2.5. Q: Could the risk appetite levels be given numerical ranges to make tolerance gaps clearer? A: Yes, this will be amended before sending to Board.

6.2.6. Q: How will departmental risks be used to inform the strategic risk register? A: Each department will be asked to create its own operational risk register. These will be reviewed to identify any risks that should be escalated to the strategic level. This ensures that significant risks are not missed and that the strategic register reflects the full risk landscape.

6.3. IT WAS RESOLVED THAT the Committee recommends the amended Risk Register and the revised Risk Management Policy to the Board.

7. Internal Audit Reports

The internal auditor from ICCA-ETS presented three reports.

Internal Audit Progress Report:

7.1. The Committee received an overview of the internal audit plan for 2024/25.

7.2. Five pieces of work were agreed for the year, including a follow-up audit to validate implementation of previous recommendations.

7.3. The auditors acknowledged that this year the audits were backloaded towards end of academic year, going forward the aim would be to balance the audit schedule across the academic year to avoid this.

7.4. Questions and answers:

7.4.1. Q: Was it always the intention to start curriculum planning this late? A: It was delayed slightly due to staffing and to avoid overlap with a potential funding audit.

7.4.2. Q: Will future audits be more evenly spread? A: Yes, the 2025/26 plan includes a more balanced schedule.

Curriculum Planning Audit:

7.5. The audit received a Substantial Assurance rating, and two medium-priority recommendations were made.

7.6. Questions and answers:

7.6.1. Q: Can you include definitions of assurance levels in future reports? A: Yes, this will be added.

7.6.2. Q: Why is the December deadline chosen for implementing changes? A: It aligns with the planning cycle for the 2026/27 academic year.

Curriculum Financial Viability Audit:

7.7. The audit also received a Substantial Assurance rating, and one recommendation was made.

7.8. Questions and answers:

7.8.1. Q: Is it feasible to implement the recommendation regarding weighted assessment of learner income? A: Yes, the data is available. The team is reviewing how to handle learners who transfer between departments.

7.8.2. Q: Could this be implemented sooner than 2026/27? A: Possibly, depending on discussions with the data and finance teams.

8. Strategy for Internal Audit 2025/26 (including fees)

8.1. ICCA-ETS presented the draft internal audit strategy for the 2025/26 academic year.

8.2. Questions asked and answered:

8.2.1. Q: Will the timing of the Health and Safety audit align with the new manager's start date? A: Yes, the audit will help shape the new manager's priorities and provide a clear action plan.

8.2.2. Q: Should HR/payroll be audited sooner than 2026/27 given its significance? A: It was agreed that a management assurance paper on payroll controls would be brought to the next meeting as an interim measure and alternative source of assurance.

8.2.3. Q: Why include governance structure in 2026/27? A: To pre-empt potential changes in DfE expectations following high-profile sector failures.

8.2.4. Q: Can we include a review of the FE Commissioner's letter regarding Weston College? A: Yes, a report will be prepared for the next meeting to assess compliance with the recommendations.

8.3. IT WAS RESOLVED THAT the internal audit strategy (including fees) be recommended to the Board.

9. External Audit Plan for Wakefield College, Year Ended 31 July 2025 Including Fees

9.1. RSM presented the external audit plan for the year ending 31 July 2025.

9.2. Questions and answers:

9.2.1. Q: Why is the valuation of the F Block building considered a risk? A: Because the building was previously out of use and has now been brought back into use and is being refurbished. The audit team wants to ensure that the valuation reflected in the accounts is appropriate and fairly assessed, given the change in use and condition.

9.2.2. Q: Are the fees consistent with last year? A: Yes, there is no increase in fees, and they remain within budget.

9.3. IT WAS RESOLVED THAT the external audit plan and associated fees be recommended to the Board.

10. Committee Self-Assessment

10.1. The Head of Governance and Legal Services presented the annual self-assessment report for the Committee, in line with the AOC Code of Good Governance. Key points included:

10.1.1. The Committee had fulfilled all its duties as outlined in its terms of reference, with the exception of the Board Assurance Framework (BAF), which remained under review.

10.2. Members were invited to reflect on the Committee's effectiveness and suggest improvements.

10.2.1. Q: Did the Committee prompt the development of the new Reserves Policy? A: Yes, the Committee's request led to a full review, with a

revised policy now scheduled for Finance, People and Resources Committee and Board approval.

10.2.2. Q: Should the self-assessment reflect this influence? A: Yes, it was agreed that this contribution should be noted in the assessment summary.

10.2.3. Q: Is the BAF omission significant? A: The Committee previously agreed not to adopt a formal BAF due to concerns about bureaucracy and duplication. However, it was acknowledged that the Committee is moving toward a “light BAF” approach through management assurance reports.

10.2.4. Q: Should we revisit the BAF decision in light of sector developments? A: Yes, the new Chair may wish to reconsider this in the next cycle.

10.3. IT WAS AGREED THAT the self-assessment was accepted, with the addition of the Committee’s role in prompting the Reserves Policy review.

11. Review of Terms of Reference

11.1. The Clerk presented minor updates to the Committee’s Terms of Reference, including removal of outdated references to the ESFA.

11.2. It was agreed to retain the reference to a Board Assurance Framework pending further review.

11.3. Questions and answers:

11.3.1. Q: Are we confident in our quorum arrangements? A: Yes, but recruitment of two new members is underway to ensure quorum is consistently met.

11.4. IT WAS RESOLVED THAT the revised Terms of Reference be recommended to the Board, with a note to revisit the BAF reference in the next cycle.

12. Chair Succession and Meeting Close

12.1. The Chair confirmed this would be his final meeting and thanked members for their support.

12.2. Jayne King was confirmed as the incoming Chair following informal agreement by all Committee members outside of the Meeting and a Committee vote would be taken to approve her from 2 July 2025. Due to quorum constraints, the formal appointment will be confirmed outside the meeting via written resolution.

13. Review of Meeting Effectiveness

13.1. Members were invited to submit feedback on the effectiveness of the meeting and any suggestions for improvement.

13.2. The Chair expressed appreciation for the Committee's work and wished the incoming Chair and members continued success.

Signed Jayne King Jayne King …… Date 25.11.2025

Action

No.	Minute	Details	Deadline	Responsibility
1	4	Consider merging the Anti-Fraud and Anti-Bribery Policies and the renaming of the Whistleblowing Policy	The next review cycle	Clerk
2	6.2.5	Risk appetite levels to be given numerical ranges to make tolerance gaps clearer	The next meeting	GEDFR
3	6.3	IT WAS RESOLVED THAT the Committee recommends the amended Risk Register and the revised Risk Management Policy to the Board	The next Board meeting	GEDFR
4	7.6.1	Include definitions of assurance levels in future IA reports	The next meeting	ICCA-ETSA
5	8.2.2	It was agreed that a management assurance paper	The next meeting	GEDFR

		on payroll controls would be brought to the next meeting as an interim measure to the IA report		
6	8.2.4	A report will be prepared for the next meeting to assess compliance with the DfE's recommendations relating to Weston College	The next meeting	GEDFR
7	8.3	IT WAS RESOLVED THAT the internal audit strategy (including fees) be recommended to the Board.	The next Board meeting	GEDFR
8	9.3	IT WAS RESOLVED THAT the external audit plan and associated fees be recommended to the Board.	The next Board meeting	GEDFR
9	10.2.2	The self-assessment	The next Board meeting	Clerk

		report should be updated to reflect the fact that the Committee prompted the development of the new Reserves Policy by FP&R		
10	10.2.4	The Committee should reconsider the use of a BAF	The next meeting	Committee
11	11.4	IT WAS RESOLVED THAT the revised Terms of Reference be recommended to the Board, with a note to revisit the BAF reference in the next cycle.	The next Board meeting	Clerk
12	12.2	Jayne King was confirmed as the incoming Chair following informal agreement by all Committee members outside of the Meeting and a Committee vote would be taken to approve	The next meeting	Clerk

		her from 2 July 2025.		