

		ARAC COMMITTEE (DRAFT MINUTES (26.11.2024))	
Date:	20 November 2024	Director of Governance Granville Road Sheffield, S2 2RL Tel: 0114 260 2620 Email : anne-marie.holdsworth@sheffcol.ac.uk	
Venue:	Boardroom, City Campus		
Present:	Ian Falconer (Chair) Matthew Ainsworth (Vice Chair) Sol Miah Adrian Abdulla		
In attendance:	Martin Harrison, Executive Director Finance (EDF) Andrew Hartley, Deputy Chief Executive (DCE) and Executive Director Commercial and Operations (EDCO) Lisa Smith, Risk Assurance Director, RSM UK Risk Assurance Services LLP Stuart McKay, Partner, MHA LLP John Mothersole, Chair of GB Anne-Marie Holdsworth, Director of Governance Jean Tracy, Interim Director of Governance		
		Action	
		by whom	by when
24/4/1	Welcome, introduction and apologies		
1.1	Apologies were received from Sarah Pearson and Paul Senior.		
1.2	The meeting was quorate and started promptly at 10.25am. The Chair advised that the order of business would be as per the agenda other than to finish with the outstanding part of Item 15 from the previous joint meeting of FEGP and ARAC, namely, on the Statement of Corporate Governance and Internal Control.		
24/4/2	Declarations of interest		
2.1	There were no new declarations of any potential conflicts of interest.		
24/4/3	Consent Agenda Items		
3.1	The following items were committee business not requiring a decision and which formed part of the Consent Agenda. a) Minutes of the last meetings – Members to confirm the minutes of the meetings held on Wednesday 2 October 2024. b) Matters arising and action record – Members to <u>consider</u> any matters arising and updated action plan items not included on the agenda and <u>approve</u> removal of any completed items.		

	The Chair asked members if they wished to discuss any aspects before seeking a proposal/approval to resolve the items as presented. Only one clarification and amendment was requested in respect of minute 6.2.		
3.2	The committee <u>noted</u> the minutes and action tracker. The <u>confirmed</u> that the minutes were a true and accurate account, subject to the amendment to minute 6.2. They <u>approved</u> the removal of any completed items from the action tracker, noting that there were no matters arising which were not included on the action tracker, and in particular the following: <ul style="list-style-type: none"> • 23/2/1.3 - SRG had recommended search for a co-optee • 24/7/7.13a - Independent governor access to all committee papers, irrespective of membership still needed to be resolved • 23/3/8.3 - the external assurance summary would be brought to the next meeting 		
3.3	Action: <ul style="list-style-type: none"> • Minute 6.2 to be amended to show that consideration was broader than just safeguarding and whether GDPR needed to be brought into the audit programme. It was suggested that this should be part of the plan for 2025/2026. 	DG	ASAP
	SUSTAINABILITY		
	Commissioning Assurance:		
24/4/4	Strategic Risk Register update & Risk Assurance Map Summary		
4.1	The Executive Director Finance (EDF) presented the report, informing the committee that there had been no significant changes from the last meeting and no areas where individual risks or risk themes were increasing. He requested that three risks were removed as follows: <ul style="list-style-type: none"> • (14) - inadequate resourcing of apprenticeships • (80) - financial liability or industrial action in respect of holiday pay • (84) - end of teaching and learning activity at Peaks leads to reputational damage 		
4.2	The committee was assured that risk management processes continue to be live and embraced by the ET. The committee <u>approved</u> the removal of the three risks outlined above and <u>confirmed</u> that no changes were necessary to the risk assurance plans for 2024/2025.		
24/4/5	Internal Audit and External Audit: progress report on completion of recommendations and management actions		
5.1	The EDF presented the report on progress against the management actions previously agreed, with one request for a deadline extension.		
5.2	The committee considered the report and asked whether FEGP had discussed the VAT review update. The EDF confirmed that this matter was to go back to the FEGP committee, and that external advice was also being taken for assurance.		
5.3	The committee <u>received</u> the report and welcomed the progress that action owners had made on completing actions along with the fact there were no high-risk actions outstanding. The committee was		

	assured that the controls improvement process was working. It <u>approved</u> the removal of completed items and the extension to the deadline for the nursery services action.		
5.4	Action: <ul style="list-style-type: none"> The three risks agreed to be removed from the strategic risk register 	EDF	ASAP
	Receiving Assurance:		
24/4/6	Internal Audit Progress Report		
6.1	The RSM Risk Assurance Director (Internal Audit) presented an update on progress. It was noted all work on the Internal Audit Plan for 2023/2024 had been completed and work on the 2024/2025 Plan was underway and on track. As there were no changes to the college's risk profile it was proposed that no changes were needed to the Plan for this year.		
6.2	The committee <u>received</u> the report, noting that the Plan for 2023/2024 had been considered at the last ARAC meeting. The committee welcomed the progress reported and the assurance and <u>confirmed</u> that no changes were needed to the Internal Audit Plan for 2024/2025.		
24/4/7	External Auditor's Progress Report		
7.1	The committee continued to consider the issues arising from the audit of the financial statements, focusing on matters relating to the audit itself and finally, the Statement of Corporate Governance and Internal Control. The external audit partner was invited to present his report.		
7.2	Auditor Independence The committee <u>agreed</u> that it was satisfied with MHA's independence to perform the duties of External Auditor and to issue an opinion.		
7.3	Audit Fees The committee <u>noted</u> the fee estimates for the original Plan and welcomed that they had not been exceeded.		
7.4	Audit Findings The committee <u>agreed</u> that the audit findings and proposed opinions were appropriate in the draft report. It welcomed the assurance provided and that there were no impropriety issues and no significant deficiencies in internal control.		
7.5	Action: <ul style="list-style-type: none"> new actions on External Audit recommendations to be added to the audit action tracker with deadlines for completion once the final version is provided. 	EDF	ASAP
	Reporting Assurance:		
24/4/8	Audit and Risk Assurance Committee Annual Report		
8.1	The Chair presented the updated Audit and Risk Assurance Committee Annual Report 2023/2024, informing members that a draft had been seen at the ARAC meeting of 2 October, where the six opinions which the committee are required to give to GB were provisionally agreed.		

8.2	<p>The committee considered each section of the Annual Report commenting as follows:</p> <ul style="list-style-type: none"> • Brief summary, this summarised each section and did not really add anything to the report, although it was the standard for all TSC reports to be presented in this format. Amendments would be needed to the summary in line with comments below; • Section 1: Review of the committee's own effectiveness and how it has fulfilled its terms of reference, the table of assurance needed to be removed and included in later sections, along with work not relating to the 2023/2024 opinion to be taken out. Additionally, the dates needed to be amended regarding improvement actions which appeared to be duplicated. The opinion was agreed; • Section 2: Commissioning and managing assurance, update internal audit information to read that 7 reviews were undertaken i.e. 6 reviews plus 1 follow-up, rather than 5 reviews plus follow-up and that the Internal Audit Annual Report 2023/2024 had now been considered at the meeting on 2 October 2024. An amendment was further needed that the external audit strategy was agreed in July 24 rather than July 23. The opinion was agreed; • Section 3: Framework of governance, no further comments. The opinion was agreed; • Section 4: Risk management and control processes, (i) - risk management: the opinion on risk from the Internal Audit Annual Report 2023/2024 to be added and the risk opinion to be amended to adequate and effective rather than adequate and efficient; (ii) - control processes: the comment on outstanding audit recommendations to be updated to November 2024 and a summary of external audit control recommendations to be included; (iii) - heading of sub-section to be amended to read 'efficient and effective' use of resources, the reference to the external audit to be updated to 2024 from 2023, and more evidence to be included regarding value for money in relation to the efficient and effective use of resources. The opinions were agreed subject to the revisions under the final bullet point; • Section 5: Solvency and safeguarding of assets, update that the regularity self-assessment has been received, correct the year in relation to the financial health scores, and update the next steps. The opinion was agreed subject to the revision outlined in the final bullet point; • Section 6: Conclusions and opinions, update the opinions for section 4 i.e. that the risk opinion be 'adequate and effective', the control opinion be 'adequate and effective', and the data and value for money opinion to be 'efficient and effective'. Amend the opinion for section 5 to read 'adequate and effective'. 		
8.3	<p>The committee <u>approved</u> the Annual Report opinions as revised, requesting an edit to streamline and update the report, and delegating authority to revise the Annual Report to the ARAC Chair in conjunction with the Executive and to commend it to GB, incorporating the five clean opinions and areas for focus in 2024/2025.</p>		
8.4	<p><u>Actions:</u></p>		

	<ul style="list-style-type: none"> The Annual Report to be updated as detailed in minute 8.2 Chair of ARAC to review the edited annual report prior to GB 	DG IF	ASAP ASAP
24/4/9	Members Report and Financial Statements for the year ended 31 July 2024		
9.1	The Chair advised that to finish the committee's consideration of the Report and Accounts, they needed to consider the Statement of Corporate Governance and Internal Control.		
9.2	<p>The committee considered the Statement of Corporate Governance and Internal Control, making the following recommendations:</p> <ul style="list-style-type: none"> include the required reference to the external governance review and its outcome (p22) amend SM's attendance, which could not be 67% for 4 meetings (p25) state that the Governance Succession Plan <u>was</u> reviewed at SRG in November (p27) update ARAC membership to include those who joined after 31.07.2024 (p28) Governor & Clerk training: include AoC training events for the ARAC Chair (p30) amend the summary of RSM's internal audit review to reconcile to appendix A of their Internal Audit Report (5 substantial & 2 reasonable) (p32) correct 2 of 5 ARAC opinions, as mentioned in minute 8.2 (p33/34) remove those items in the table relating to 2022/2023 (p34/36) include the Internal Audit Annual Report in the table for the meeting 2 October 2024 (p36) consider if the review of effectiveness paragraph (p36) is required as a summary of the External Board Review is at p22 		
9.3	The committee <u>agreed</u> the Statement of Corporate Governance and Internal Control, subject to the agreed edits, and commended it for adoption by the GB.		
9.4	<p>Action:</p> <ul style="list-style-type: none"> The financial statements to be edited as per the detail of minute 9.2 	DG/EDF	ASAP
24/3/10	Review of meeting & closing remarks		
10.1	The Chair thanked the Executive for their work, in particular the EDF and the DG.		
24/4/11	Date & time of next meetings		
11.1	<ul style="list-style-type: none"> 12/03/2025, 16.30 – 18.30 in the New Boardroom, City Campus 18/06/2025, 16.30 – 18.30 in the New Boardroom, City Campus <p>The meeting closed at 11.05am.</p>		