



**Minutes of the Audit Committee Meeting**  
**held on Thursday 13 March 2025 at 17.30pm, Jorvik Suite**

<b>Present:</b>	Julia Histon Victoria Inness Andrew Thomas John Ennis	Chair Independent Governor Independent Governor Co-opted Governor
<b>In Attendance:</b>	Jason Pepper Carolyn Barker Martin Ritchie Ken Merry Rob Hickey Abby Parkin Sarah Leatherbarrow Jackson Armstrong	Chief Finance Officer Director of Governance TIAA (internal audit) – joined remotely Principal/CEO – joined remotely Independent Governor – Item 4 Head of Digital Innovation – Item 4 Director of Marketing and External Partnerships Director of Curriculum: Higher, Technical & Professional Education
<b>1.</b>	<b>Apologies for Absence / Declarations of Interest</b>	<b>Action</b>
1.1	<p>Apologies were received from Anna Entwistle.</p> <p>There were no declarations of interest in any of the committee's business items.</p> <p>The Chair of the meeting was Julia Histon. Notice of the meeting was given at least 7 days in advance. The meeting was quorate.</p> <p>The Chair welcomed Rob Hickey and Abby Parkin to the meeting, who joined to take part in item 4 – Artificial Intelligence in College Operations.</p>	
<b>2.</b>	<b>Minutes of Previous Meeting</b>	
2.1	<p>The minutes of the meeting held on 28 November 2024 were reviewed and approved as an accurate record.</p> <p><b><i>The Committee resolved to approve the minutes.</i></b></p>	
<b>3.</b>	<b>Matters Arising</b>	
3.1	<p><b>Action Summary</b></p> <p>The Chair advised on the action summary points noting that there were three action points, two of which had been dealt with and one remaining action that was on the agenda to consider the risks outlined in the papers submitted for the meeting.</p>	
3.2	<p><b>Any other matters</b></p> <p>None.</p>	
<b>4.</b>	<b>Line of Inquiry – Artificial Intelligence</b>	
4.1	<p>A paper was submitted by the Chief Finance Officer to support discussions. It outlined the significant investment required in the College's IT infrastructure to support the deployment of Artificial Intelligence, along with the benefits, risks, and challenges associated with integrating AI into college operations.</p>	

	<p>The Chair advised that the purpose of the session was to have a broad discussion about the impacts of AI. The Director of Governance reminded members of the purpose of the governor assurance reviews being conducted by committees.</p> <p>The Chair expressed uncertainty about the topic following discussion at the last committee meeting about the lack of knowledge in this area amongst committee members, so welcomed the additional guests joining the Committee today. At the last meeting members had suggested structuring the debate on a SWOT analysis to allow the strategic leadership team to think about implementation. She requested the Director of Governance to outline the discussions in the format of a SWOT analysis when preparing the minutes.</p> <p>The following key points were noted from the discussion –</p> <p><b>IT Systems and Infrastructure</b> The Chief Finance Officer highlighted underinvestment in IT systems and plans to improve by replacing equipment, wireless access points, and building a robust network. Also considering expanding cyber essentials cover.</p> <p>The Chair questioned the link between AI and having new equipment. A governor responded by emphasising the importance of up-to-date equipment and discussed AI's potential to improve efficiency and introduce risks, particularly in relation to infrastructure.</p> <p><b>AI Integration and Usage</b> The Head of Digital Innovation discussed the assumption that some students are using AI while others are not and mentioned issues around accessibility and plagiarism.</p> <p>The Chief Finance Officer asked the Head of Digital Innovation for AI recommendations. She suggested Copilot for staff due to its encryption and licensing, and ChatGPT for students with parental permission.</p> <p>A governor discussed the need to determine objectives for AI usage, such as simplifying HR processes and supporting tutors.</p> <p><b>Benefits and Risks</b> Governors inquired about potential benefits that could be funded. Efficiency in processes, HR, marketing, and personalised student timetables were mentioned.</p> <p>Governors discussed enthusiasm for AI and managing its use, including a more radical approach to assessment.</p> <p><b>Ethical Considerations and Student Access</b> The Principal highlighted the importance of ethical AI usage and the environmental impact, and mentioned reviewing systems to save time in managing disciplinary processes.</p> <p>The Director of Curriculum: Higher, Technical &amp; Professional Education raised ethical issues in using AI for digital analysis and</p>	CB
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	<p>presenting work. A governor noted that universities are not using AI models for marking but for initial essay assessment.</p> <p>A governor expressed concerns about understanding AI's benefits and risks due to a lack of innovative mindset compared to students.</p> <p><b>Student Feedback and External Partners</b></p> <p>A governor mentioned student feedback received at the recent student champions event that highlighted insufficient access to IT points.</p> <p>The Director of Marketing and External Partnerships provided feedback from external partners, emphasising the need to consider policies and learn from other institutions.</p> <p>The Head of Digital Innovation mentioned the University of Leeds' investment in Copilot and monitoring systems, and Askham Bryan's use of ChatGPT.</p> <p>Governors advised on the importance of testing AI in specific areas first, such as using AI on SharePoint to search policies.</p> <p>A summary of the discussions in the format of a SWOT analysis were:</p> <table><tr><td><p><b>Strengths</b></p><ul style="list-style-type: none"><li>• Potential for improved efficiency in administrative processes.</li><li>• Enhanced support for tutors and students.</li><li>• Investment in up-to-date equipment and infrastructure.</li></ul></td><td><p><b>Weaknesses</b></p><ul style="list-style-type: none"><li>• Underinvestment in IT systems.</li><li>• Uncertainty about AI's full capabilities and benefits.</li><li>• Ethical concerns and risks related to AI usage.</li></ul></td></tr><tr><td><p><b>Opportunities</b></p><ul style="list-style-type: none"><li>• Funding for AI-related improvements.</li><li>• Collaboration with external partners and learning from other institutions.</li><li>• Encouraging ethical and innovative use of AI.</li></ul></td><td><p><b>Threats</b></p><ul style="list-style-type: none"><li>• Data vulnerability and categorisation issues.</li><li>• Accessibility challenges for students.</li><li>• Potential misuse of AI and plagiarism.</li></ul></td></tr></table> <p>Martin Ritchie joined the meeting at 18.15.</p> <p>Governors gave thanks to the Chief Finance Officer for the report and requested the subject to be revisited in 12 months' time.</p> <p>Rob Hickey and Abby Parking left the meeting at 18.20.</p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"><li>• Potential for improved efficiency in administrative processes.</li><li>• Enhanced support for tutors and students.</li><li>• Investment in up-to-date equipment and infrastructure.</li></ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"><li>• Underinvestment in IT systems.</li><li>• Uncertainty about AI's full capabilities and benefits.</li><li>• Ethical concerns and risks related to AI usage.</li></ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>• Funding for AI-related improvements.</li><li>• Collaboration with external partners and learning from other institutions.</li><li>• Encouraging ethical and innovative use of AI.</li></ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"><li>• Data vulnerability and categorisation issues.</li><li>• Accessibility challenges for students.</li><li>• Potential misuse of AI and plagiarism.</li></ul>	
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5.	<b>External Assurance – Internal Audit</b>					
5.1 & 5.2	<p><b>2023-2024 and 2024-25 Internal Audit Recommendations Implementation</b></p> <p>The committee received a report detailing the progress the college had made on the implementation of the recommendations made by TIAA.</p>					

	<p>The Chair noted the summary of previous recommendations. The Chief Finance Officer advised governors that the Business Continuity Plan (BCP) was in review and noted it is being completely rewritten due to some incident response plans requiring further consideration. He advised of the complexity of the area that had been hindered by staff changes, technical issues and challenges around IT infrastructure. Investments are planned and recent approval of the introduction of a new software system (Evolve) has taken place to record, monitor and report on student placements and trips.</p> <p>The Chair asked committee members if there were any comments regarding the actions. TIAA advised that progress and recommendations would come at a later date following the review of the BCP and consideration by TIAA.</p> <p>Governors inquired about the status of the BCP, which had been on the plan for quite some time and that there was mention of an IT disaster recovery plan test over the Easter break. The Principal noted that IT plans were inadvertently tested prior to Christmas, and a more planned test is scheduled for Easter. It was emphasised that the BCP should be tailored to York as a one-campus environment and should include an appropriate incident response plan. A governor mentioned they had been aware of a lockdown drill that was planned that week.</p> <p>It was confirmed that the BCP is to be reviewed by the Finance and General Purposes (F&amp;GP) committee. The Chair asked members if it would be helpful for them to have sight of the updated plan following review at F&amp;GP committee, and members agreed.</p> <p>With reference to the discussion on the new software for trips and placements a governor asked whether it was specific to health and safety. The Principal confirmed it is.</p> <p><b><i>Thanks were given by the governors for the contributions and discussions.</i></b></p>	JP
5.3	<p><b>Internal Audit Reports</b></p> <p>The committee received an update on the internal audits conducted on safeguarding and governance reclassification. TIAA advised that the safeguarding report final copy was to be issued at the beginning of the following week. The committee was advised that there were no recommendations and that following substantial testing there were very positive findings giving a rating of substantial assurance.</p> <p>The Principal reflected on past challenges and noted that the safeguarding arrangements, work and mitigations put in place were now bearing fruit. The Chair asked if the outcome and report are shared with the safeguarding team. The Principal confirmed that they are and that he is very happy with the result.</p> <p>The governance reclassification audit received substantial assurance with only one recommendation to review the senior postholder policy. The policy review is scheduled for later in the year.</p> <p><b>Governors expressed their satisfaction with the reports and positive outcomes.</b></p>	

	Martin Ritchie left the meeting at 18.40.	
<b>6.</b>	<b>Internal Assurance – College Assurances</b>	
6.1	<p><b>Strategic Risk Monitoring</b></p> <p>The Principal introduced the item and advised the committee of the updated version of the risks. He mentioned the Strategic Leadership Team (SLT) away day earlier in the week, where strategic and operational risks, including nested risks, were discussed. He explained that the paper provided an update on the current key risks and included a full copy of the risk register across all areas of the strategic plan. He reflected on the governor risk seminar where key risks such as subcontracting, maintaining a safe environment, and consistently achieving core purpose were discussed. The committee noted that risks were being decoupled from the strategic plan, and some rudimentary scoring had been suggested prior to developing a full risk schedule.</p> <p>Governors discussed and made the following points:</p> <ul style="list-style-type: none"> <li>• Suggested that core purpose might want to be listed first, though it might be a presentation point.</li> <li>• Noted that the language used for likelihood and impact appears to have changed. It was suggested that the Committee Chair and Principal agree on the language to be used when presenting to the committee and perhaps rank risks in priority order.</li> <li>• Asked about key elements generally seen in a business and what might be missing, such as health and safety, which might sit under the safe community category. The Principal confirmed this was agreed at the seminar as being covered in safe community.</li> <li>• The Chair mentioned historic issues that had a significant impact on the college. The Principal confirmed these were discussed in the broader sense of a safer community.</li> <li>• Raised concerns about staffing and environmental risks. The Principal noted that historic staff turnover is remarkably low and staffing might not necessarily be on the strategic risk register. It was acknowledged that environmental risks had not been discussed at length by the SLT. The Chair suggested that such risks should be on the operational schedule rather than the strategic schedule.</li> </ul> <p>The Principal advised that the intention is for the risk schedule to be more fluid moving forward to ensure it remains fit for purpose and is discussed and dealt with appropriately. He mentioned agreement on risk appetite and targets between the SLT and governors. A piece of work is planned to ascertain a central collective review.</p> <p>The Principal outlined the next steps:</p> <ul style="list-style-type: none"> <li>• Develop a new risk register to bring back to the committee.</li> <li>• Canvas governors for their views on risk appetite to identify tolerances.</li> </ul> <p><b><i>Governors resolved to accept the new strategic risks presented.</i></b></p>	<p>JH/KM</p> <p>KM/CB</p>
<b>7.</b>	<b>Policy and other matters</b>	
<b>7.1</b>	<b>Other Matters</b>	

	<b>Additional Services from Audit Providers</b> The Chief Finance Officer advised that the only audit commissioned is around subcontracting. The Chair asked when the audit is expected to be completed. It was confirmed that it is expected to be completed in May. He explained that the college is looking at taking on additional subcontractors therefore it is important to ensure all practices are compliant with regulations. Governors noted that once the subcontracting audit is completed, it would be a risk that could drop off the register.	
	<b>Summary Matters</b>	
<b>8.</b>	<b>Key meeting outcomes and/or actions</b>	
8.1	<b>Matters for report to the Governing Body (if any)</b> <ul style="list-style-type: none"> <li>Artificial Intelligence agenda item and request for committee to revisit in 12 months' time.</li> <li>Two very good positive first internal audits this year – safeguarding and governance reclassification.</li> </ul>	
<b>9.</b>	<b>Any Other Business</b>	
	There were no items noted.	
<b>10.</b>	<b>Date of Next Meeting – Thursday 3 July 2025</b>	