

AUDIT AND RISK COMMITTEE MEETING

CONFIRMED MINUTES OF THE MEETING HELD ON TUESDAY 19 SEPTEMBER 2023 AT 9:00AM IN THETFORD BOARDROOM

Present:

Jill Lanning	JL	Interim Chair
Andrea Blanchflower	ABI	Governor
Marcus Bailey	MB	Governor
Sean Green	SG	Governor – <i>present until 11:00am</i>

Attendees:

Jerry White	JW	Principal
Martin Colbourne	MC	Deputy CEO
Karen Mackintosh	KM	Finance Manager
Rakesh Shaunak	RS	External Auditor, Mackintyre Hudson <i>(remote until 9:39am)</i>
Stuart McKay	SMk	External Auditor, Mackintyre Hudson <i>(remote until 9:39am)</i>
Leysian Cox	LC	Internal Auditor (Scrutton Bland)
Jodie Mitchell	JM	Director of Governance and Legal
Barbara Ashby	BA	Governance & Legal Administrator, minutes

Apologies:

Phil Gormley	PGy	Governor
Phil Pearce	PP	Governor
Chris Snudden	CS	Governor
Paul Goddard	PG	Internal Auditor (Scrutton Bland)

1. Confidential – Governor’s meeting with External Auditors

This item is an opportunity for informal discussion between governors and auditors and is not formally minuted.

JW, MC, KM, and BA joined the meeting at 9:20am

13. Sector Updates

SMk provided a verbal update noting the following matters:

- **Fraud:** - there has been an increase with fraud incidents and staff need to remain vigilant of changing contact details etc. Governors raised their concerns regarding IT accounts and personal data being at high risk. MC confirmed the College has a number of verification processes in place. LC noted that external to the College, there has been an increase in internal fraud over the last few months relating to Superuser Account access. LC emphasised the importance of having initial control measures and monitoring in place with frequent checks for unusual activity but the cost implications pose a challenge in carrying this out.
- **Pensions:** Due to ESFA requirements the College will now be required to detail pension data within their accounts. MC shared with the Committee the College’s starting asset value, which has occurred due to an increase in the discount rate but decreasing the liability value. It was also noted the last three years has returned a benefit increase of 1%.

- Financial Handbook – the handbook is due for release in October 2023, following consultation. A ring fence on capital monies remains however there is no certainty regarding a change to the year end dates. It was noted that the Board need to be aware and understand these differences as part of the new classification.

ACTION 1: JW to provide Governors with a summary of the Handbook following publication.

ACTION 2: MC to consider the Superuser Account in light of the above update.

SMk and RS left meeting at 9:39pm

2. Apologies for Absence

Apologies were received and noted as above.

3. Declarations of Interest

No new declarations were made.

4. Draft Minutes of the Meeting held on 13 June 2023

The draft confidential minutes of the meeting held on 13 June 2023 were agreed as a true record of the meeting and will be signed by the Interim Chair at the next available opportunity.

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6. Matters Arising

22/23 Audit 3 Action 4: ACTION COMPLETE

22/23 Audit 3 Action 5: ACTION COMPLETE

22/23 Audit 3 Action 7: Use of AI (e.g. chatGPT) risks and subsequent control measures to be discussed at the next A&R Committee meeting. To be brought to A&R in new academic year.

ACTION ON-GOING

22/23 Audit 4 Action 1: ACTION COMPLETE

22/23 Audit 4 Action 2: ACTION COMPLETE

22/23 Audit 4 Action 3: MC to provide a copy of the business continuity and disaster recovery plan to PP. This will be completed by next A&R on 29 November 2023. **ACTION ON-GOING**

22/23 Audit 4 Action 4: ACTION COMPLETE

22/23 Audit 4 Action 5: ACTION COMPLETE

22/23 Audit 4 Action 6: MC to arrange a forum meeting with JW and JP and committee chairs to review the alignment of the current risks and possible addition of strategic risks. Still to be arranged. **ACTION ON-GOING**

22/23 Audit 4 Action 7: MC to collate details of SPH expenses and circulate to the A&R Committee. 12.09.2023 – awaiting updated from Payroll. MC to prepare a summary of JW expenses on the corporate credit card. **ACTION ON-GOING**

7. Final IAS Audit Plan 2023/24

The report was circulated prior to the meeting, for information, and taken as read. An overview of the Action Plan was provided by JL for the benefit of the new Governors.

8. Remaining IA Reports from 2022/23

The reports were circulated prior to the meeting and taken as read. The committee discussed the results of the following reports:

Strategic Planning - Rating: Significant Assurance - 1 Low recommendation raised

Student Attendance and Retention - Rating: Significant Assurance - 3 low recommendations raised

The College uses a robust process to provide timely and accurate information on student attendance and retention.

- Governors queried the format of registration used and whether having a more enhanced IT system for recording attendance would be easier such as the QR code system used by UEA, noting that UEA has much larger class sizes.
- It was noted that the College use an e-register as not all students have 'smart' phones so having a more advanced IT system would be difficult.
- Governors asked whether teachers are aware of which students are not in attendance and if this might be a link to safeguarding. Having a way of tracking the absences would be a useful resource and being able to capture data around students leaving early was also remarked upon.
- Governors inquired whether there had been any issues with the data provided for review in relation to unmarked registers and LC confirmed there were none and reassured Governors that Scrutton Bland had no concerns regarding the unmarked registers, however, adding that regular monitoring is required.
- The Committee agreed to change the review date to April 2024 to allow time for the changes to be implemented.

ACTION 3: JW to provide a report showing data around students leaving lessons early as it was noted the recommendations in the internal audit report had requested when the management response is considered by the C&S Committee it includes this information.

ACTION 4: LC to update the report with the revised date of April 2024 as agreed with Governors.

Follow up of previous recommendations – reasonable progress recorded.

JL noted the number of unmet recommendations and queried why this would be. It was stated that the focus has been given to medium recommendations. Other factors such as changes to the senior team and new initiatives within the sector had impacted the completion of the required work, but Governors were assured that work was in progress.

Governors discussed the issue around superseded actions and noted the difference between 'Implemented' and 'Superseded'.

It was agreed that a review is needed to consider what can realistically be achieved and LC stated that there are 2 instances when superseded risks are removed;

- if a function previously used is no longer in existence
- if an old data monitoring system is replaced with a new one.

The discussion considered medium risk in relation to H&S and it was confirmed that these are in progress but had been hampered by technical issues.

ACTION 5: JW to provide an updated report regarding the two Medium Risks (Apprenticeships (1) and Health & Safety (15)

9. ILR Assurance for Audit

JW provided a verbal update stating this has been carried out by Scrutton Bland and the outcome on findings of data accuracy is awaited. Scrutton Bland had been asked to perform this audit for the second year in a row as this provides assurance and ability to sign off accounts.

10. Risk Register and Management Update – CONFIDENTIAL ITEM

The discussion was confidential and is recorded within the confidential minutes.

11. Link Governor Scheme

The report was circulated prior to the meeting and taken as read. It was noted that this report is also being taken to Business and C&S. No further queries were raised.

12. Annual Whistleblowing Complaints Report

No formal whistleblowing complaints were received for 2022/23. However, JW noted that four complaints were received via the '*whistleblowing process*'. However, upon further investigation they did not fit the policy criteria and have been dealt accordingly. Governors remarked that this was a positive outcome with the Principal having received the 4 complaints as it demonstrated that staff are aware of the process and how well the reporting process works. It was confirmed for Governors this process had been audited in 2021/22 under the Anti-Fraud risk and was due for review again in 2024/25.

14. Fraud Discussion – Verbal update – CONFIDENTIAL ITEM

The discussion was confidential and is recorded within the confidential minutes.

15. Other Urgent Business – Recommendation to go to Board

JL confirmed that due to a conflict of interest with her membership on the C&S committee she would step down as the A&R interim chair. Andrea Blanchflower has agreed to take over as Chair going forward, the Governors approved this proposal which will be presented to Board for approval.

ACTION 7: JM / CJ to add the approval of ABI as A&R Chair to the Board meeting on 17 October 2023.

16. Confidential Items

16.1 Review of SPH Expenses Claims and Credit Card Data

The discussion was confidential and is recorded within the confidential minutes.

17. Date of Next Meeting

The next Audit and Risk committee will take place on 29 November 2023

All business having been concluded; the meeting closed at 11:10am

Signed Date
(Chair)