

## AUDIT AND RISK COMMITTEE MEETING

### CONFIRMED MINUTES OF THE MEETING HELD ON TUESDAY 7 MARCH 2023 AT 09:00AM VIA MICROSOFT TEAMS

#### **Present:**

Bree Sherwood (Chair), Jill Lanning, Phil Pearce (until 9:53am)

#### **Attendees:**

Noel Bartram, Jerry White (Principal), Martin Colbourne (Deputy CEO), Karen McIntosh (Finance Manager), Leisyen Cox, (Scrutton Bland), Lana Jackman (Governance and Legal, Interim Clerk) Barbara Ashby (Governance and Legal Administrator)

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#### **1. Chairs Update**

BS confirmed this would be her last meeting as Chair and the Governors acknowledged her resignation from post. All governors present shared their appreciation for BS's work and wished BS good luck in the future.

BS welcomed Phil Pearce to his first meeting.

#### **2. Apologies for Absence**

Apologies were received from Paul Goddard and Stuart McKay

#### **3. Declarations of Interest**

In the interest of transparency and in accordance with the Standing Orders of the Corporation, all Governors of the Corporation Board are asked to make a written declaration of relevant pecuniary interests on appointment. Governors were requested to make known any relevant pecuniary interests relating to any items on the agenda and it was noted that all declarations will be recorded.

There were no new declarations of interest given at the meeting.

#### **4. Unconfirmed Minutes of the Meeting held on 30 November 2022**

The unconfirmed minutes of the meeting held on 30 November 2022 after a slight amendment were agreed as a true record of the meeting and will be signed by the Chair at the next available opportunity.

#### **5. Draft Minutes of the Meeting held on 12 December 2022**

The draft minutes of the meeting held on 12 December 2022 were agreed as a true record of the meeting and will be signed by the Chair at the next available opportunity.

#### **6. Draft Confidential Minutes of the Meeting held on 12 December 2022**

The draft confidential minutes of the meeting held on 12 December 2022 were agreed as a true record of the meeting and will be signed by the Chair at the next available opportunity

#### **7. Matters Arising**

21/22 Audit 2 Action 5: CP to confirm with the Board at what point and how often we review risk appetite. *Risk Appetite discussed at January 2023 strategy day.* ACTION COMPLETE

21/22 Audit 3 Action 1: JM to investigate if Governors are required to undertake any cyber security training and to distribute any relevant documents to Governors relating to the 2-step verification process. *Access to CCN Accounts and Cyber security training details emailed to Governors. Training awaiting completion.* ACTION COMPLETE

22/23 Audit 1 Action 1: JM to update JL Declaration of Interest as noted during meeting. *New DoI completed.* ACTION COMPLETE

22/23 Audit 2 Action 1: JW to provide an update regarding apprenticeship monitoring at the next A&R meeting on 7 March 2023. *Agenda item 9.4.* ACTION COMPLETE

22/23 Audit 2 Action 2: JW to formalise details on register reporting and to provide an update the next A&R meeting on 7 March 2023. *Agenda item 9.5.* ACTION COMPLETE

22/23 Audit 2 Action 3: JW / JK to provide information regarding the T-Level student numbers to be presented to C&S on 24 January 2022. *Agenda item 10. Quality Report.* ACTION COMPLETE

22/23 Audit 2 Action 4: JW to provide an update about the approach CCN will take regarding Funding assurance process for next year and provide this information at the next A&R Meeting on 7 March 2023. *Agenda item 9.7.* ACTION COMPLETE

22/23 Audit 2 Action 5: CJ to review meeting schedule for next year to allow for an extra Audit and risk Meeting in September 2023. *Schedule of business to be drafted.* **ACTION ON-GOING**

22/23 Audit 2 Action 6: JW to provide overview/information regarding the Strategic risk register for the Strategy Day on 17 January 2023. *Discussed at Strategy Day.* ACTION COMPLETE

## 8. SECTION A

### 8.1 Risk Register and Management Update

JW provided an overview of the report and the following was noted:

- An overview of the Risk register was provided to the Governors at the January 2023 strategy day
- The report provided details of the top 25 strategic risks
- Monthly meetings are held by CMT to focus on reviewing the risks. In addition, meetings are held by SMT with risk being on the agenda as an item for discussion
- It was noted that previously, adequate information had not been provided to Governors to ensure risks to be monitored effectively
- It was agreed that going forward Governors would be provided with an update on risks in terms of their significance (e.g. red risks, high level, where change has occurred) along with information relating to risk mitigation to be included going forward
- Confirmation if risks are deemed Strategic or Operational is required going forward. JW stated he would discuss further with LJ in conjunction with good governance practice.
- Further development relating to the format of the report is required
- Any risks that require removing will need to be signed off by the Committee

LC commented that Scrutton Bland agree with improvements discussed and raised no other concerns.

**ACTION 1: JW to arrange to meet with Phil Pearce to discuss his views regarding risks that need to be included in the risk register as requested by governors.**

**ACTION 2: JW to meet with LJ to discuss how risks should be categorised in conjunction with governance good practice e.g. Strategic, operational etc.**

## 8.2 IAS Progress Report Update

LC provided an overview informing the committee that all audits are as scheduled except for the Student Attendance and Retention which has been moved to the first A&R meeting of 2023/24. LC emphasised this would not affect the preparation of their Annual Report.

### 8.2.1 CCN IAS Reports 2022/23

LC provided an update for each IAS report to date which had previously been distributed to the committee and taken as read.

#### **Learner Enrolment Planning Report**

##### Assurance Opinion - Reasonable

Recommendations: 3 Medium have been raised

1. to carry out a review of the enrolment process using SMART actions and objectives to address identified issues
2. to develop a centralised processing data collection point to capture all of students indirect progression. Hold regular discussions in CMT TLA meetings to aid awareness of progress
3. to carry out scenario testing to the enrolment processing systems ahead of key times to produce the desired results. (eg prior to term starting)

BS wanted it noted that if a review had not been carried out by the college before the audit then a rating of 'limited' would have been given instead of the rating of 'reasonable'. LC stated it was evident that a proactive approach was being taken by management to make improvements to the issues raised by Scrutton Bland had decided the 'reasonable' rating was appropriate.

NB asked whether the situation with the enrolment process had occurred before and was assured by JW that the MIS migration had never happened before. These system issues are now a priority task that the Vice Principal has been managing. MC confirmed the system upgrade was an enforced situation by the provider and accepted it was a big risk factor but clarified the issues occurred after the upgrade and this would need to be considered for any future upgrades.

**ACTION 3: JW to speak to SG whether reports should be sent to C&S committee or for Board.**

#### **OfS Compliance Report**

##### Assurance Opinion - Significant

Recommendations: 1 Low has been raised

1. Management to regularly update the internal OfS Compliance Matrix and provide governors with regular RAG rated report on each area of compliance.

**ACTION 4: JW to review the schedule of business to determine when OfS Tracking would be supplied to the Board and/or Committees.**

**Procurement and Contract Management Report**

Assurance Opinion - Significant

Recommendations: 2 Medium and 3 Low have been raised

Medium recommendations

1. To review whether high value suppliers need to be added to the contract register and provide a rationale to support the appointment process. Clarification required as to 'preferred supplier' and market testing for each supplier.
2. Provide official order process with order number that should be reference on respective invoices for purchase of goods and services

Low recommendations

1. To consider sharing the contract register with the Board or Audit committee to aid transparency and accountability
2. To formalise the volume of information to be provided within the finance system regarding high value purchase. To include a document process in relation to compliance requirements
3. To clarify expectations in relation to monitoring supplier performance in the procurement policy and applied in practice

JL stated that in terms of exam fees there is a contract made in advance with the Awarding Body and asked who holds these contracts and authorises the payment terms.

MC confirmed the contracts are with JW and JW stated he has seen a number of contracts from the Awarding Bodies but confirmed he does not see an annual agreement for all awarding bodies and will check this situation with SG.

BS queried about the number of recommendations being received in SB reports compared to the average for each of these topics being considered so thought it should be reflected upon in relation to future improvements required.

**PP left meeting at 9:53am.**

**ACTION 5: JW to check with SG whether annual agreements are received from awarding bodies and update at next A&R meeting.**

**Safeguarding and Prevent Report**

Assurance Opinion - Significant

Recommendations: 1 Low have been raised

1. To consider alternative ways to improve the level of completion rates of safeguarding training so staff complete it in the required timeframe.

*Best Practice Point raised*

It was noted that the College is aware of the fluctuating completion of staff mandatory training and it is a priority for the college currently and therefore considering a different approach to improve the completion results going forward.

### **Risk Management Report**

#### Assurance Opinion - Significant

Recommendations: 1 Medium and 4 Low have been raised

#### Medium recommendations

1. The full strategic register should be included within each Audit and Risk committee meeting, incorporating the full risk definition, mitigating controls and planned actions.

#### Low recommendations

1. To review and make the Risk Register Report more user friendly for members of the Audit Committee
2. To consider providing an online version of the register for governors to access
3. To review risk appetite assessments with the Board to provide an up to date reflection of the Board risk view

LC stated there had been a few Added Value points raised for consideration as follows:

- Risk Management training to Senior Management
- Consider sending out a Pulse Survey in order to assess the wider staff awareness of risk around the college.

2 other areas for the college to consider in risk register –

- Learning and Achievement
- Governance

It was noted that the operation of the risk management system requires reviewing to ensure we are using it to its full potential.

JL queried about the added value points in relation to English and Maths and governance risk, commenting that there are no risks included for high level qualifications (e.g. Level 3 qualifications and related reduction in student numbers). JL asked whether the current risk register has enough separation between operation and strategic and also key operational and strategic? JL asked what areas should Board be aware of in relation to the future stability of the college? JW noted JL opinions regarding these matters.

### **8.3 Governance Matters**

No matters were raised under this item.

### **8.4 Apprenticeship Monitoring**

JW stated this had been an action point and was an improvement requirement from a previous internal audit and review of progress. The audit had focused on the 20% of 'off the job' element of the qualification and the issue had also be raised whether the college system worked in conjunction with the new rules.

JW confirmed the training plan and the 'off the job' calculator developed post audit are working well with data capture and recording having been adapted to in conjunction with the new rules despite the complexities.

### 8.5 Register Reporting

JW provided an update as follows:

- A previous audit had highlighted issues with the timeliness of unmarked registers
- Numbers have now been reduced considerably
- These are unlikely to reduce down to a zero balance as the numbers fluctuate
- There have been some changes of how the registers are marked in the future
- Significant progress has been made and improvements will continue

### 8.6 Funding Assurance Process

JW provided an update and noted the following:

- A data audit is required but has been delayed until now due to staffing issues
- A proposal is being put forward to agree a date with Macintyre Hudson on the programme of works to be carried out for this audit to provide assurance
- DfE tools will be used to carry out a mock audit to a high level that Macintyre Hudson will find appropriate with the works being completed in good time
- The aim will be to complete by Summer allowing for Macintyre Hudson to focus on the financial aspect
- If this model works this will be used as a regular business cycle in conjunction with the external auditors
- Work is expected to take place during May 2023 – July 2023

**ACTION 6: JW to update new A&R Chair prior June meeting confirming that agreement reached with Macintyre Hudson or if new proposal required.**

### 8.7 Annual Review of Whistleblowing Policy

JW provided an update stating that there has been very little change to the policy except for amendments made in relation to NES and TEN changes.

## 9. SECTION B

### 9.1 Significant Recommendations Update

MC confirmed there are three recommendations from Macintyre Hudson from the accounts audit as follows:

1. The Funding Assurance was completed as per item 8.6 on the agenda
2. The Conflicts of Interest Policy is a matter that the Director of Governance and Legal will deal with (upon return) in terms of broadening information at governor director level
3. Finance processes are currently being worked on by KMc and the finance team with a completion time set for Summer

### 9.2 Sector Updates

It was confirmed that the use of AI (e.g. chatGPT) when completing assignments is an area of focus and control measures will be put into place. This will be added to the Risk Register in due course and will require further discussion at the next A&R Meeting.

**ACTION 7: Use of AI (e.g. chatGPT) risks and subsequent control measures to be discussed at the next A&R Committee meeting.**

**9.3 Fraud Update**

MC confirmed there were no new items to raise at this time.

**10. SECTION C**

**10.1 FE & HE Digest for Spring 2023**

The FE Digest Spring 2023 was shared for information.

**11. Other Urgent Business**

No items were raised under this section.

**12. Confidentiality**

No items were raised under this section.

**13. Confidential Items**

No items were raised under this section.

**13.1 Review of SPH Expenses Claims**

No expenses have been claimed since the last Audit and Risk meeting.

**14. Date of Next Meeting**

The next Audit and Risk committee will take place on 13 June 2023.

All business having been concluded; the meeting closed at 10:19am

Signed ..... Date .....  
(Chair)