

**AUDIT COMMITTEE**

**Minutes of the Meeting held on 9 March 2021 at 17:30**

**A Microsoft Teams meeting**

**Present**

**Governors:**

Kevin Gaffney	Chair
Stephen Bolton	
Tony King	
Denis Miles	
Debbie Morris	
Sue Nicholls	

**In Attendance:**

Stuart Laverick	Principal
Nicki Williams	Vice Principal and Deputy Chief Executive Officer
Cherie Clements	Director of Finance
Louise Tweedie	Partner, RSM Risk Assurance Services LLP (Internal Auditors)
Asam Hussain	Risk Assurance Director, RSM Risk Assurance Services LLP (Internal Auditors)
Kay Kavanagh	Clerk to the Corporation

**Action**

**22.1 Apologies**

Apologies were received from Lucy Hodgson.

**22.2 Declarations of Interest**

Members were asked to declare any Interests, financial or otherwise, which they may have in any Agenda Item. Members confirmed that they had no interests to declare.

**22.3 Audit Committee Concerns**

Members were invited to raise any issues which they wish to discuss. Members confirmed that there were none.

**22.4 Auditor Concerns**

The Auditors were invited to raise any issues which they wish to discuss, and all confirmed that there were none.

**22.5 Minutes of the Previous Meeting**

The Audit Committee **approved** the Minutes of the meeting held on 1 December 2020 as an accurate record for signature by the Chair.

**22.6 Matters Arising**

The Audit Committee **monitored** action taken, and remaining to be taken, in respect of Matters Arising from the Minutes of previous meetings.

1 action had been completed. There were no further actions.

**22.7 Determination of Any Other Urgent Business**

No other urgent business was determined.

**22.8 Strategic Risk Register – Spring Term Update**

A summary of the changes had been provided, with the full Risk Register available on the Governors Portal.

Governors **noted**:

- Curriculum 1.6 – Failure to maintain HE / OfS Learner numbers. Reduced from (12) HIGH to (6) MEDIUM. Recruitment for 20/21 has shown more stability and is positive when compared to target. Numbers have held during lockdown and are not expected to decline.
- Curriculum 1.9 – Failure to ensure smooth intro of T Levels. Reduced from (12) HIGH to (9) MEDIUM. College progress is positive with good reviews via ESFA, and a positive internal audit review in Feb 2021.
- Quality 2.1 – Failure to improve / maintain Apps success rates & timely achievement. Increased from (16) HIGH to (20) HIGH. Covid has resulted in a decline in apprenticeship numbers and in achieving timely completions. The 3rd lockdown post-Christmas and the resulting and ongoing restrictions on many businesses has increased the impact of this situation which is expected to continue into 21/22 and beyond.
- Quality 2.5 – Failure to ensure learners improve their English and maths skills and progress. Reduced from (12) HIGH to (8) MEDIUM. Scrutiny review and feedback from staff is that engagement has been generally well-maintained over the Lockdown period. The Centre Assessed Grades (CAG) process will influence final success rates.
- Finance 3.1 – Financial Health of the Organisation – Financial Health. Reduced from (12) HIGH to (9) MEDIUM. Reflecting more positive performance and financial health than anticipated, alongside confirmation of continued TPS funding.

Governors **noted** that most movements have been positive. Governors also **acknowledged** that the uncertainty around apprenticeships is likely to continue to over the coming years.

Governors **discussed** the possibility of holding a workshop to discuss risk management and risk appetite in more detail. **Action:** KK to discuss a risk management and risk appetite workshop with NW and SL.

KK

A governor **questioned** if the Corporation should review the Estates strategy. NW confirmed that an updated Estates strategy will be presented at the next Corporation meeting. This will assist in the College being able to apply for capital transformation funding. NW explained that there is a minimum of £500,000 per application for this

funding, and each application must be per site. NW will be confirming how the College can utilise this funding, given that we have 15 separate buildings.

## **22.9 Internal Audit Reports**

### **a) Internal Audit Progress Report**

Governors **received** the Internal Audit Progress Report.

LT confirmed that RSM are on track to deliver the plan, as previously envisaged and thanked management for continued support.

LT explained that following the Ney Review, there is a recommendation that risk appetite should be a priority and focus of board. It is also anticipated that risk appetite may feature in the next edition of the audit code practice.

### **b) Benchmarking Report**

AH explained that the benchmarking data provided, is based on all of the internal audit assurance reports and annual reports RSM have issued to FE clients during the audit year 2019/20.

Governors noted:

- 80% of HoW reports fall into the 'Substantial Assurance' category, with the other 20% falling into the 'Reasonable Assurance' category.
- The average number of management actions (3.86) perform better than the sector average (4.5).

### **c) Framework for compliance with legal requirements – Health & Safety**

LT confirmed that taking account of the issues identified, the Board should take substantial assurance that the controls upon which the organisation relies to manage the identified areas are suitably designed, consistently applied and operating effectively.

The following areas were covered in the review:

- Policy and procedures;
- Training (for example COSHH, manual handling etc) as well as training for staff on operating in the new physical environment with social distancing etc.;
- Risk assessments (for the College premises). This will include how the College has assessed risk and implemented controls, such as frequency and type of cleaning activities undertaken, use of rooms and capacity planning, management of corridors and entrances, provision of PPE and consideration of other controls;
- Accidents and incidents including near misses (and reporting under RIDDOR); and
- Reporting including senior management, Health and Safety Committee and Board.

There was one medium, and two low priority actions.

Medium action:

- Risk Assessments are undertaken for Educational visits are submitted using the College's Online Form as part of the visit approval process. An Educational Visit Risk Assessment will be completed in advance for each educational visit, even where risk assessments from third parties e.g. the venue, are in place. The authorising officers will be reminded to return any submissions that do not include a College Risk Assessment to the person completing it.

Low actions:

- All staff in the College should undertake the required Mandatory Health and Safety Training every three years. The HR Manager will extend the circulation of the HR Mandatory Training Report to the Senior Leadership Team on a termly basis.
- Fire risk assessments (FRA) are completed for the 18 College buildings and carried out by the Health and Safety Manager. The central Fire Risk Assessment Action Plan Log will be extended to include the officer responsible for implementation and an implementation deadline date.

A governor asked RSM if they felt that there was any impact of the review being carried out remotely, given Covid-19. LT confirmed that the overall outcome would be the same. LT added that it is harder however, to identify the extent to which something happens in a controlled and efficient way.

Governors thanked NW and JB for their continued focus on Health and Safety throughout the covid-19 period. **Action:** KG to write, on behalf of the Audit Committee, to thank NW and JB for their continued focus on Health & Safety.

KG

#### d) IT Cyber Security Controls

AH explained that cyber security is an increasingly critical area during the pandemic. The review looked at policies and procedures, along with staff training and awareness. Overall, this is a reasonable assurance report and a positive outcome. It is reflective of the fact that there were four medium priority actions, these being:

1. A quarterly user access review of Domain Admin group access rights will be scheduled and conducted to identify, and where necessary, remove inappropriate access.
2. Periodic reviews of the firewall rule base will be conducted to ensure that existing rules are fit for purpose and to add new rules where appropriate.
3. Students will be required to complete the cyber security awareness training. This will be monitored to ensure that students are completing the training timely.
4. Formal IT Security Incident Response Procedures and Response Plans will be established. The Incident Response Plan will be tested annually, and the lessons learned will be captured and fed back into the process.

#### 22.10 FE Commissioner Annual Report

Governors reviewed the FE Commissioner Annual Report. Governors noted the case studies in relation to finances, structural reviews and Interventions.

Governors noted the future financial metrics focus of the FE Commissioner. CC explained that they are aspirational metrics and once confirmed the College will model them around the management accounts in line with the ESFA metrics. Governors agreed that this is an area to monitor and await the comprehensive spending review.

*The Internal Auditors left the meeting (18:20)*

**22.11 CONFIDENTIAL ITEMS**

– See separate Agenda and Papers.

**22.13**

**22.14 Any Other Urgent Business**

There was no other urgent business.

**22.15 Date and Time of Next Meeting**

Tuesday 22 June 2021, 17:30 via Microsoft Teams

The meeting closed at 18:30

**Signed:**

**Date:**