

**Minutes of the Audit and Risk Committee held on Thursday 13th June 2019 6:00 pm
 Boardroom, Science Park Campus, Cambridge**

DRAFT MINUTES

Present

Andy Jennings [Chair]
 Raj Kumar
 Judith Coplowe

In attendance

Derek Sharp, Deputy Principal
 Mark Robertson, Principal
 Lee Glover, Haines Watt (internal auditors)
 David Hoose, Mazars Ltd

Clerk

Emily Baldwin

Section 1: General		
1.	Apologies for absence Declaration of Interests	There were apologies for absence from Barry Fyfield. There were no declarations of interest.
2.	Matters that are confidential	Item removed for confidentiality reasons.
3.	Minutes of the meeting held on 14th March 2019 and matters arising	The minutes were agreed to be a true record of the meeting. It was noted that a joint audit of iMET was being undertaken with PRC. The internal auditors had drawn up a provisional scope that was focused on policies, procedures and financial regulations. It was noted there were no outstanding actions that were not covered elsewhere on the agenda.
Assurance and Risk Management		
4	Risk Register 2018/19	D Sharp introduced the latest version of the Risk Register which had been updated since the last meeting. A new risk on the insolvency regime had been added which was a net green risk.

		<p>The risk on monitoring of attendance had been raised to a red risk.</p> <p>The College's international business remained high risk as it had not hit its income target. The Committee advised that the international strategy cover a three year time period. The Clerk agreed to advise the Commercial Strategy Committee.</p> <p>The Committee <u>approved</u> the Risk Register.</p>
Internal and external audit reports		
5	Sub-contracting audit	<p>L Glover introduced the external assurance review on sub-contracting controls. The overall aim of the audit was to ensure appropriate subcontracting arrangements were in place to comply with regulations.</p> <p>The internal auditors confirmed that the final report was still being finalised; however, they had completed their review with no issues. The auditors agreed to sign the certificate confirmed satisfactory assurance was given on the systems in place. The final report would be circulated electronically.</p> <p>The Committee <u>noted</u> the audit.</p>
6	Internal audits - Curriculum planning - E-learning	<p>L Glover introduced the findings of the internal audit on Curriculum planning</p> <p>Significant assurance was provided with regards the design and effectiveness of controls, with 1 low priority recommendation. R Kumar asked if any errors had been noted in the transfer of data to the staff utilisation tool. The auditors confirmed that no actual errors had been found, but there was a risk of errors due to manual intervention.</p> <p>L Glover also introduced the findings of the internal audit on e-learning. Significant assurance had been provided, with 3 low priority recommendations, The L&Q Committee had agreed with the auditor recommendation to have a separate e-learning strategy.</p> <p>The Committee <u>received</u> the report.</p>
7	Progress report on outstanding audit recommendations	<p>D Sharp introduced the report on outstanding audit recommendations. It was noted that all recommendations had been completed on time, or were on track for completion.</p> <p>The Committee <u>received</u> the report.</p>
8	Internal audit plan and strategy 2016/17 – 2020/21	<p>E Baldwin introduced the discussion on the internal audit plan for 2019/2020. It was proposed that 8 audits were carried out in 2019/20, including the postponed audit on Student Records from 2018/19 and required audit on subcontracting controls.</p> <p>Governors agreed that an audit on attendance data and controls should be added to the plan to take place in the spring term.</p> <p>Other agreed audits were</p> <ul style="list-style-type: none"> • international business, which was highlighted as a red risk • information governance and EU GDPR health check

		<ul style="list-style-type: none"> • corporate governance & risk management • resource utilisation • enrolments and applications process <p>Governors discussed the proposed audit on campus management and agreed on the basis of risk to defer the audit to 2020/2021.</p> <p>The auditors agreed to bring forward a revised internal audit plan based on the Committee discussion.</p>
9	Audit planning memorandum for financial statements 2018/19	<p>D Hoose from the external auditors Mazars introduced the audit planning memorandum for the financial statements 2018/19.</p> <p>He explained that the memorandum set out the proposed audit approach. The memorandum included a further education sector update, including the impact of the insolvency regime and the new AOC code on senior postholder remuneration. Committee members agreed that the update was useful.</p> <p>The memorandum included information on accounting for iMET as a joint venture. It also set out the schedule of fees for the audit.</p> <p>Committee members asked for more information on the financial health gradings. It was noted that the gradings were driven by performance ratios. D Sharp agreed to include definitions in his financial paper for Corporation. It was noted that the ESFA was putting more emphasis on the cash position of colleges.</p> <p>The Committee agreed the audit planning memorandum.</p>
Committee business		
10	Whistleblowing policy review	<p>The Clerk introduced the updated whistleblowing policy. There had been a number of changes made to give clarity on ownership of the policy and to ensure it was clear who the designated whistleblowing officer was. It also included details on what the whistleblower should do if they do not think that the procedures had been followed.</p> <p>The Committee agreed to recommend the revised whistleblowing policy to Corporation.</p>
11	Policy review	<p>The Clerk introduced the policy review.</p> <p>The Committee advised that the International Strategy be reviewed in 2019/20 to ensure that it covered a three year period. The Commercial Strategy would receive an update on progress annually.</p>
12	Committee workplan	<p>The Committee noted the workplan for 2019/20.</p> <p>It was suggested that international risks be an item for in-depth review in the Spring term.</p>
13	Audit and Risk Committee Terms of Reference	<p>The Committee recommended the terms of reference to Corporation with no amendments.</p>

14	Confidential Re-appointment of Internal Audit Services	Item removed for confidentiality reasons.
15	Any other business	It was noted that a date had been set for the tender process for external auditors. The Chair of the Audit and Risk Committee had agreed to join the panel.
16	Self-Assessment of Governors' Performance	In order to evaluate the meeting and identify any changes necessary to maintain the effectiveness of the Committee, the Chair asked how the meeting could be improved. Governors agreed it had been a useful meeting.

Summary of Actions

13th June 2019 Committee meeting				
	Item	Action	Lead	Date
4	Risk Register	The Committee advised that the international strategy cover a three-year time period. The Clerk agreed to advise the Commercial Strategy Committee.	Clerk	June 2019
10	Whistleblowing policy	The Committee agreed to recommend the revised whistleblowing policy to Corporation.	Clerk	July 2019
13	Terms of Reference	The Committee recommended the terms of reference to Corporation with no amendments.	Clerk	July 2019
14	Confidential Re-appointment of Internal Audit Services	Wording removed for confidentiality reasons.	Clerk	July 2019

There was no other business and the meeting ended at 7:45pm.