

**Minutes of the Audit and Risk Committee held on 2 June 2020 6:00 pm
Virtual Meeting**

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
Heather Du Quesnay, Chair of Corporation

Clerk

Emily Baldwin

Section 1: General		
1.1	Apologies for absence	There were no apologies for absence.
1.2	Declaration of Interests	There were no declarations of interest.
1.3	Matters that are confidential	<p>Governors asked the internal auditors how audits were progressing under lockdown. The auditors confirmed that audits were going ahead with no concerns, but some were taking longer to complete.</p> <p>It was noted that 'going concern' was a heightened issue under external audit.</p> <p>Governors asked whether it was appropriate for the Deputy Principal for Finance and Resources to be the risk champion, and it was confirmed that this was the case. The role was an administrative lead as risk management was the responsibility of the SMT as a whole.</p> <p>Governors noted the limited assurance given to the iMET audit. The auditors confirmed that there were weaknesses in clarifying the responsibilities of the respective parties, and lessons to be learnt for the future.</p> <p><i>M Robertson and D Sharp joined the meeting.</i></p>

1.4	Minutes of the meeting held on 5th December 2019 and matters arising	<p>The minutes were agreed to be a true record of the meeting.</p> <p>Confidential wording removed.</p>
Assurance and Risk Management		
2.1	Risk Register 2018/19	<p>D Sharp introduced the latest version of the Risk Register which had been updated since the last meeting.</p> <p>No new risks had been added to the existing risk register, but a number had been updated in line with COVID.</p> <p>The risks around iMET had also changed.</p> <p>Governors noted the new COVID risk register. In particular, they noted the risks around the availability of PPE and the uncertainty around social distancing.</p> <p>Governors noted that the revenues from the recent land sale may no longer be available for capital spending due to pressures on the budget.</p> <p>Governors discussed the risks around monitoring of attendance online. They asked if there had been a change in the quality of students' work. It was a mixed picture, with some areas seeing improvements in the quality of work due to the creativity of the teachers.</p> <p>Governors asked that the issue of bank covenants be added to the COVID Risk Register.</p> <p>Governors recommended the updated risk management policy to Corporation.</p>
Internal and external audit reports		
3.1	GDPR audit	<p>C Hoyes introduced the GDPR report.</p> <p>This report included:</p> <ul style="list-style-type: none"> • compliance with GDPR requirements • subject access requests • data breaches • update on concerns/priorities <p>The Information Commissioner's Office had been contacted once regarding a breach in 2017-18, and once regarding a</p>

		<p>breach in 2018-19, but on both occasions the College was advised that there was no need to report these formally.</p> <p>The internal auditors had been undertaking an audit on GDPR which had not completed. However, initial feedback was recommending some minor improvements to the process.</p> <p>Governors noted that subject access requests could be time-consuming.</p> <p>The College managed GDPR cost effectively by ensuring it was embedded across the College, rather than using an external consultant.</p> <p>The Committee thanked C Hoyes for her work in managing the GDPR process at the College and noted the report.</p> <p><i>C Hoyes left the meeting.</i></p>
3.2	<p>Internal audits</p> <ul style="list-style-type: none"> • Application to Enrolments • Student records • iMET 	<p>L Glover introduced the findings of the internal audits on Enrolments, Student Records and iMET.</p> <p>Application to Enrolments</p> <p>Significant assurance has been provided by Haines Watts with regard to the design and effectiveness of controls, with 3 low priority recommendations which has been agreed. Governors noted that the College was moving to electronic enrolment quicker than anticipated due to the lockdown. The College also discussed use of the new CRM system to capture cold enquiries to the College.</p> <p>Student Records</p> <p>Adequate assurance has been provided by Haines Watts with regard to the design and effectiveness of controls, with 3 medium priority recommendations which have been agreed.</p> <p>iMET</p> <p>The internal auditors had been jointly commissioned by the Joint Venture partners and iMET to undertake an audit of controls and processes at iMET. Although iMET was not continuing, it was useful to view the report in the event of future partnership arrangements to identify where improvements could be made.</p> <p>Limited assurance has been provided with regard to the design and effectiveness of the internal control system, with 1 low, 6 medium and 4 high priorities.</p> <p>Governors noted the findings of the report. Governors discussed the findings in more detail and the lessons that could be learnt in</p>

		<p>the case of future partnerships. They stressed the importance of setting out iMET's core purpose.</p> <p>Confidential wording removed.</p> <p><i>R Kumar joined the meeting.</i></p> <p>Governors agreed it was a useful audit, and that it should be put forward to Corporation. It was important for the lessons learnt to be captured.</p> <p>The Committee received the report.</p>
3.3	Progress report on outstanding audit recommendations	<p>D Sharp introduced the report on outstanding audit recommendations. It was noted that only 2 recommendations that were due to be completed had not yet been implemented.</p> <p>Committee members agreed with the recommendation to remove two recommendations on the basis that there were manual processes in place for those areas of work. This therefore did not represent a loss of control.</p> <p>The Committee received the report.</p>
3.4	Internal audit plan and strategy 2016/17 – 2020/21	<p>E Baldwin introduced the report on progress made against the internal audit plan for 2019/2020:</p> <ol style="list-style-type: none"> 1. Resource utilisation (completed) 2. Governance and Risk Management (completed) 3. Student records (completed) 4. Application & enrolment process (completed) 5. iMET (completed) 6. Information governance & EU GDPR health check (in progress) 7. Attendance monitoring (in progress) 8. International office (postponed) 9. Subcontracting certification (July 2020) 10. Financial controls (July 2020) 11. Safeguarding (postponed to summer/autumn 2020) <p>It was noted that the international audit had been postponed indefinitely as the staff members were now furloughed. This has been substituted with a safeguarding audit, with the aim of this being undertaken by the time of the next Audit and Risk Committee.</p> <p>Internal audit plan 2020/21</p> <p>It was noted that the Audit Committee had agreed by email to extend the internal auditors' contract for a further year to 2020/21. The auditors had provided a three-year plan for audits that was attached for discussion. It was noted that they would carry out a review of the College's risks over the summer period</p>

		<p>and prepare a more detailed audit plan for the autumn Audit and Risk Committee.</p> <p>Committee members put forward a number of suggestions for future audits:</p> <ul style="list-style-type: none"> - Pro-monitor system- compliance and staff usage - Staff appraisals, and in particular how they fit with the College's quality processes - Campus management, which had been deferred from the previous year <p>The auditors agreed to take these into account in their discussion on the internal audit schedule with the College.</p>
3.5	Audit planning memorandum for financial statements 2019/20	<p>D Hoose from the external auditors Mazars introduced the audit planning memorandum for the financial statements 2019/20. He explained that the memorandum set out the proposed audit approach</p> <p>He explained that there would be more focus on the area of 'going concern'. There would also be an increased focus on regularity. There were some conflicting requirements over regulations of ESFA and the Ofs that would need to be addressed.</p> <p>The expectation was that much of the work would be carried out remotely depending on the situation at the time.</p> <p>The Committee <u>agreed</u> the audit planning memorandum.</p>
Committee business		
4.1	Policy review	<p>The Clerk introduced the policy framework which was reviewed by the Committee on an annual basis. All policies had been approved according to the agreed cycle, with the exception of the Quality Strategy and the Pay Policy which are due at L&Q and F&R Committees this term. There was a possibility that the Quality Strategy would be deferred due to the impact of the College closure and the need to modify the Strategy in line with the move to blended learning.</p> <p>The Committee <u>approved</u> the suggested changes to the policy framework document, including the addition of the Curriculum Strategy.</p>
4.2	Committee workplan	<p>The Committee <u>approved</u> the proposed workplan for 2020/21.</p>

4.3	Audit and Risk Committee Terms of Reference	The Committee recommended the terms of reference to Corporation with no amendments.
4.4	Any other business	There was no other business
4.5	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.

There was no other business and the meeting finished at 8pm.

Approved Audit and Risk Committee 7th December 2020