Minutes of the Audit and Risk Committee held on Wednesday 28th September 2022 5:15 pm

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Virtual meeting**

MINUTES

Present	Neil Hunter [Chair] Tim Waller Louise Armstrong
In attendance	Stephen Jones, Deputy Principal Laura Kerry, Director of HR Fiona Rae, TIAA (internal auditors) Zack Furlong, TIAA (internal auditors)
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	Governors asked internal auditors their opinion on the breadth of the internal audit plan, and whether it was sufficient to give the Audit Committee the necessary assurance to meet their obligations under the terms of reference. Governors discussed the need for an assurance framework. This could be supplemented by a gap analysis of the regularity self-assessment. Governors agreed that this would support the internal audit programme in giving the Committee the necessary breadth of assurances. The Committee discussed the nature of the assurance framework. The Clerk said that she had developed an assurance framework several years before which could be built upon. They agreed that the framework should be based around objectives rather than risks. *S Jones and L Kerry joined the meeting.*
1.4	Minutes of the meeting held on 16th May 2022 and matters arising	The minutes were agreed to be a true record of the meeting. S Jones agreed to review the example risk register provided by another governor and in particular to see if it could help the definition of impact levels for quality and reputation. Any changes would be brought back to the Audit and Risk Committee.

| 2.1 | Whistleblowing policy | L Kerry introduced the updated whistleblowing policy.

The Policy has been reviewed by SMT who consider it in line with legal requirements. Governors asked for clarification on the legal advice taken. L Kerry confirmed that she had access to model templates and sought the advice of Eversheds where necessary.

Governors discussed any changes need to the policy. They discussed whether the policy put too much focus on reporting to line management in the first instance, which might not be appropriate in some circumstances and could be a barrier to reporting. They recommended that two named people be included in the policy with a designated email address. This would also mitigate against the risk that the line manager did not know how to deal with a whistleblowing claim. They also recommended that the policy included a reference to the safeguarding policy for reporting safeguarding concerns

The Committee asked about the level of training for full time staff, as well as agency staff and contractors covered by the policy. L Kerry confirmed that the policy was published on the college website, the staff portal and on MyConcern, and communicated to staff through all-staff emails, staff training and as part of the induction process for new staff. Agency staff were signposted to a portal of key policies, which included whistleblowing. L Kerry agreed to reference that training was routinely given to staff in the background of the policy document.

Governors also suggested that the wording in 8.4 be reviewed to clarify that false disclosures would not result in disciplinary action unless they were found to be malicious.

L Kerry confirmed that the College had not received any disclosures in 2021/22 that they considered to be whistleblowing.[confidential wording removed]

L Kerry agreed to make the changes to the policy; it was agreed that the Chair would check and approve the changes prior to Corporation meeting.

The Committee recommended the whistleblowing policy to the Corporation, subject to the amendments proposed by the Committee.

L Kerry left the meeting. |
| 2.2 | Risk Register review | S Jones presented the updated Risk Register.

The Committee welcomed the covering paper which outlined the main changes to the Register since the last reporting. This included a new risk around fraud.

S Jones reported that he spoke to risk owners at least twice a year and asked them to confirm that the mitigating controls were all still in place, whether actions had been completed and to raise any further actions needed.

N Hunter welcomed the Risk Register which he felt was easy to understand. In the future, the Committee said that the covering paper should include reference to the internal governance process which S Jones had outlined verbally at the meeting. There was no need to report any small changes to the |

| | | Risk Register but the covering paper should focus on significant changes and where actions were imminent or overdue for completion.

Governors questioned whether the risk around the College achieving good financial health should remain red. S Jones said that despite the current financial climate, the College had secured good enrolments and the budget had been prepared with less risk than previously. This risk would continue to be monitored and would revert to red if forecasts changed.

Governors noted that some of the actions could be tighter, as some of them were worded as outcomes (eg improve attendance). They also noted that there were some areas that did not have any actions, although acknowledged that in some areas this was appropriate. However, the Committee should then be assured that there were no other actions that could be taken to mitigate the risk further. It was noted that due to the nature of the risk, there were some risks where the rating would not decrease despite mitigating actions.

Governors said that an interim update on T-levels would be useful, given it was still red after mitigating actions had been applied.

Governors agreed the following reporting to the Committee:
- The Risk Register would only need to be updated and reported in full at every second meeting (unless there were significant changes)
- At every other meeting, the Committee would look in detail at a set of risks under a particular Aim, in order to explore the risks in that area in further depth and to seek assurance on how risk owners engaged with the risk management process. The relevant risk owner would be invited to the meeting. It was agreed that the next meeting should focus on Aim 3: Excellent Staff Performance and Experience

The internal auditors confirmed that they would also gain assurance on the risk management process through separate discussion with the College.

The Committee **recommended** the Risk Register to Corporation. |
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| **2.3** | Internal audit plan 2022/23 | S Jones introduced the proposed internal audit plan. TIAA had been appointed as the College's new internal auditors for 2022/23.

Governors discussed whether it would be more appropriate to undertake the audit on environmental activity in 2023/24 and instead bring forward the audit on T-levels preparation. This was due to timing and the more immediate risks around preparing for T-levels.

Governors also discussed the need for an assurance framework to assist the committee in having a high level oversight of the assurances in the College. It was agreed that this should be incorporated into the internal audit programme, alongside a gap analysis of the regularity self-assessment.

Governors discussed whether the issue of staff recruitment should be included in the internal audit programme. The internal auditor explained what an agile working audit would cover. After some discussion, it was agreed that there would be limited value in an internal audit on the staff recruitment issue, but it would be useful for the Committee to have a deep dive on the risks and mitigating actions in place. |

		Governors stressed the importance of looking at value for money as part of each internal audit report, and to consider whether the control environment was appropriate. It was suggested this aspect was referenced in the internal audit plan. Governors recommended the internal audit programme to Corporation, subject to the agreed changes.
2.4	Counter-fraud update	S Jones introduced the fraud update This paper provided the committee with a summary of the documents and processes in place at the College to combat the risk of fraud, bribery and corruption and referenced the obligations the College had in the Post 16 Audit Code of Practice and some of the mechanisms in place to ensure compliance. No frauds have been identified during the 2021-22 financial year. The Committee welcomed the report that gave clarity on the range of control measures in place. They supported the proposed approach of streamlining/combining strategies within the guidelines set by the ESFA. The Committee asked for information on policy review timelines and communication of policies. S Jones assured the Committee on the level of training at the College and how the documents were publicised and signposted internally. The Committee noted that there had been no reported frauds, and asked for clarification on why this was the case. S Jones said that the College environment was quite strict and there was limited scope for fraud. There was also limited cash on the site. Nonetheless, the prospect of fraud often rose in times of economic hardship. The internal auditor reported that many of the fraud cases they were dealing with were related to cyber-fraud from external parties. S Jones said that the College gave extensive training to staff at induction and throughout the year on the dangers of phishing emails and cyber-fraud. The Committee said that this sort of control measure should be reported on the assurance framework. The Committee **noted** the report.
2.5	**Regularity Self-assessment**	S Jones introduced the regularity self-assessment questionnaire. It was noted that the questionnaire had been reviewed by SMT on 14th September 2022. The Committee agreed that the responses in the questionnaire appeared credible and sensible, with appropriate reference to evidence sources. It was agreed that the questionnaire should be signed by the Chair of Corporation and the Principal.
2.6	**Any other business**	There was no other business

There was no other business and the meeting ended at 7:15pm.