

**Minutes of the Audit and Risk Committee Meeting held at 6pm on 26<sup>th</sup> November 2024 via Teams**

**Members Present:** Sarah Mason (Chair), John Boyle (Vice Chair), Tim Marshall, Victoria Topham, Nick Bevan (Co-Opted)

**Apologies:** Rachael Murray (Executive Director Digital Transformation and Planning (EDDTP))

**In Attendance:** Jenny Craig (Principal & CEO), John McGrath (Chief Operating Officer (COO)), Oliver Roth (Executive Director MIS & Digital Transformation (EDMISDT), Anna Smith (Director of Governance), Chris Mantel (Alliotts, External Auditors)

<b>Minute No.</b>	<b>Agenda Item</b>
A&R 18/24	<p><b>Welcome, Apologies and Declarations of Interest</b></p> <p>The Chair welcomed all to the meeting, in particular Oliver Roth to his first meeting as incoming new Executive Director MIS and Digital Transformation (EDMISDT). Apologies were noted. There were no declarations of interest relevant to the business of the meeting. The meeting was quorate.</p>
A&R 19/24	<p><b>Minutes of the Committee Meeting held on 10<sup>th</sup> July 2024 and Matters Arising</b></p> <p>The minutes were <b>Approved</b> as an accurate record of discussion. The single action from the last meeting was rolled forward, namely:  <i>Strategic Risk Register: Either A&amp;R or F&amp;R committee to receive report on desktop exercise being conducted following college leadership team's increased involvement and ownership of scenario planning for business continuity risk mitigation (Action: COO).</i></p>
A&R 20/24	<p><b>Annual Report and Financial Statements</b></p> <p>The COO briefed the committee on the report which was largely updated to the standard format but in addition includes a contingency note regarding the subcontractor whistleblowing investigation outcome and a note regarding the ISG insolvency. Query was raised regarding the inclusion of the college values in the report and full assurance was provided over how strongly embedded these are within the college (with endorsement of this at the recent Ofsted inspection). It was agreed values could be included in the accounts going forward. Further query was raised and it was confirmed wording of the Board self-assessment review outcome would be amended to ensure greater clarity <b>(Action: DG)</b>.</p> <p>The Chair queried no internal audits having been completed in-year and it was confirmed this is factually correct. The Chair also sought assurance (which was duly provided) from the Principal as the college's Accounting Officer that she was satisfied with the internal control statements.</p>
A&R 21/24	<p><b>External Audit Management Letter</b></p> <p>The Chair invited Chris Mantel (CM) to take the committee through the management letter. CM confirmed a true and fair opinion of the financial statements and a clean regularity opinion.</p> <p>Of the significant matters, CM confirmed Alliotts position being comfortable with a contingency liability note regarding the subcontractor whistleblowing matter and was assured by the swift, correct transparent approach taken by the college in investigating the allegation and terminating the contract. CM noted it is believed the subcontractor has subsequently lost all contracts within the FE sector including direct contracts with the ESFA.</p>

	<p>Members sought assurance on the repeat recommendations and the COO confirmed two have now been resolved. Assurance was provided regarding the recommendation on centralisation of filing. Query was raised and assurance provided that value for money testing is conducted on the college's list of trusted suppliers (who strongly support College business continuity).</p> <p>CM recorded thanks to the COO and Head of Finance for achieving such a clean report. The COO returned his thanks to Alliotts for such strong support throughout the audit process.</p>
A&R 22/24	<p>The Committee agreed to <b>Recommend</b> the Annual Report and Financial Statements and External Audit Management Letter to the Corporation for approval.</p> <p><i>The Chair thanked CM for joining and CM left the meeting at 6.30pm.</i></p>
A&R 23/24	<p><b>Subcontractor Whistleblowing Investigation Outcome</b></p> <p>The Principal informed members that the termly meeting with the ESFA had taken place that day and confirmed they have passed the report on. There is no timeframe for any decision but the ESFA are thus far content with the college's investigation and contract termination.</p> <p>The committee reiterated its full support for the management team responding so quickly to the situation and it was agreed the outcome is a strong example of the college living its value of integrity throughout.</p>
A&R 24/24	<p><b>Annual Report of the Audit &amp; Risk Committee 2023-24</b></p> <p>Discussion took place regarding the re-tendering required for the college's external audit providers which is due for next year. The committee confirmed its contentment to seek costs from the current provider with the view to reappoint (subject to Corporation approval) based on such strong provision and reasonable costs.</p> <p>The committee requested for the next meeting a report detailing all audit assurances taking place throughout the college to ensure effective oversight and reassurance on behalf of the Board. The COO confirmed his full satisfaction with the key areas (Payroll, finance, MIS, HR, Health &amp; Safety, Safeguarding) and agreed to collate details for reporting to the next meeting (<b>Action: COO</b>).</p> <p>The co-opted member, as a long-standing committee member, confirmed his satisfaction at the report and agreed a document showing key areas, dates of last audit etc. would be a useful tool for the committee to identify future audit focus.</p> <p>The Chair queried publication of the recent Ofsted inspection outcome and the Principal shared the timeframe noting this might be just before end of term or early January.</p> <p>The Committee agreed to <b>Recommend</b> the Annual Report of the Audit &amp; Risk Committee 2023-24 to the Corporation for approval.</p>
A&R 25/24	<p><b>Risk Management Policy &amp; Procedure 2024-26</b>  <b>Anti-Corruption &amp; Anti-Bribery Policy 2024-26</b>  <b>Anti-Fraud &amp; Irregularity Policy 2024-26</b></p> <p>The three policies were presented together showing amendments since the previous versions.</p> <p>There were no comments and the Committee agreed to:</p> <ul style="list-style-type: none"> <li>• <b>Recommend</b> the Risk Management Policy &amp; Procedure to the Corporation for approval</li> <li>• <b>Approve</b> the Anti-Corruption &amp; Anti-Bribery Policy</li> <li>• <b>Approve</b> the Anti-Fraud &amp; Irregularity Policy</li> </ul>

A&R 26/24	<p><b>Strategic Risk Register</b></p> <p>Largely for the benefit of new members, the COO briefed on the new format implemented, the basis for items included and how scorings are calculated. The two items where the risk has increased are the budget (largely as a result of terminating the subcontracted contract) and the transition of MIS leadership. By way of assurance on MIS, the college has recruited a very experienced MIS manager to lead and develop the team over the next six months.</p> <p>Query was raised regarding risks involved with digital transformation (as opposed to information failure or cyber attack) and how much this might impact the college. Discussion took place regarding both digital implementation and staff interaction/change management with systems and practices. Assurance was provided of support for staff throughout any transformation and integration of system. The college is looking to streamline processes and simplify systems of working rather than implement new systems so there is less degree of risk than that seen in larger organisations implementing major transformation.</p> <p>On reputational risk, this is included in the register as a consequence of a control failure rather than a separate risk in itself. The recommendation from the external auditors relating to centralisation of filing was queried as a risk to be included on the register. Following discussion it was agreed the report requested identifying audit areas would be useful in assessing what is being audited and what might be at risk for inclusion on the register.</p> <p>Regarding the risk of information systems failure or cyber-attack query was raised as to whether the college is undergoing the Jisc cyber security awareness process to provide greater assurance. The COO confirmed a review had been conducted but he would contact them to consider the latest opportunity <b>(Action: COO)</b>.</p> <p>Further query was raised on responding to the challenges of AI and the risk of not keeping up to date on technologies. The Principal provided assurance of the college's AI policy and inclusion of AI in assessment policies etc. in order to meet awarding body requirements but there is always a risk of any organisation not keeping up to date given the pace of change with AI. It was agreed consideration be given to articulating a specific risk relating to AI with the support of AoC and Jisc work supporting the sector. Consideration will also be given to the risk of climate change as a risk for any business <b>(Action: COO)</b>.</p>
A&R 27/24	<p><b>General Data Protection Policy 2024-27</b></p> <p>In the absence of the EDDTP (policy author) it was agreed an email summarising the key changes would be circulated to Committee members. It was agreed members would respond confirming their agreement to recommend the policy to the Corporation for approval.</p>
A&R 28/24	<p><b>Digital Strategy 2024-27</b></p> <p>The COO briefed the committee on the strategy summarising the key achievements and plans moving forward. Query was raised and assurance provided of the use of Teams as the VLE for students, not only an a much-improved two-way platform for resources, assignments etc. but also for general communication with students. It is also good practice for students to use the software as a work-readiness tool they are likely to use in employment and this is included in employer feedback as part of the Local Skills Improvement Plan process.</p>
A&R 28/24	<p><b>Date of Next Meeting</b></p> <p>29<sup>th</sup> April 2025</p>

The Chair thanked all for attending, reiterating thanks to the co-opted member for his support. The meeting closed at 7.15pm.

**Approved as an accurate record of discussions: 10<sup>th</sup> June 2025**