

Minutes of the Audit and Risk Committee Meeting held at 6pm on 10th July 2024 via Teams

Members Present: Sarah Mason (Chair), Tim Marshall, Nick Bevan (Co-Opted)

Apologies: None

In Attendance: Jenny Craig (Principal & CEO), John McGrath (Chief Operating Officer (COO)), Anna Smith (Director of Governance), Chris Mantel (Alliotts, External Auditors)

Minute No.	Agenda Item
AUD 11/24	<p>Welcome, Apologies and Declarations of Interest</p> <p>The Chair welcomed all to the meeting. There were no apologies and no new declarations of interest relevant to the business of the meeting. The meeting was quorate.</p>
AUD 12/24	<p>Minutes of the Committee Meeting held on 1st May 2024 and Matters Arising</p> <p>The single action from the last meeting had been completed and members agreed the minutes were an accurate reflection of discussion.</p> <p>The Committee Resolved to Approve the minutes of the meeting held on 1/5/2024.</p>
AUD 13/24	<p>Internal Audit Update</p> <p>The health and safety audit has been delayed due to the availability of the internal auditors' specialist for the area. It is anticipated this will be conducted and the report made available for the next meeting for the committee's consideration when signing off the annual report.</p> <p>As previously discussed, an audit of subcontracting is not required this year since the college met the DfE's standard for subcontracting. The COO explained where colleges have received assurance that they have met the standard required no further audit is required for a period of three years, therefore the next formal audit will be in 2025-26. The COO provided assurance that the usual audit process (due diligence checks, monitoring visits and reviews of subcontractors) will continue as standard practice.</p> <p>Support from the new Committee Chair had been most welcomed in reviewing internal audit needs and how to ensure the committee is assured controls of the college are functioning well (e.g. inclusion of assurance activities outside of the formal internal and external audits). The Committee Chair confirmed this as a positive approach to collating assurances.</p> <p>The Committee Resolved to Note the update.</p>
AUD 14/24	<p>External Audit Plan</p> <p>Chris Mantel (CM) reminded the committee of the external auditors' responsibilities in expressing a true and fair opinion on the financial statements and regularity assurance. Any potential adjustments would be highlighted in the management letter. CM drew members' attention to the summary of key risks (section 5 of the report) and welcomed feedback on any items of concern the committee felt might not be included in the outline plan.</p> <p>Query was raised and it was confirmed the college is registered with the OfS and reporting through the financial statements is required for all Level 4 provision and above.</p>

	<p>Of those issues raised in previous audits and carried forward, the committee was assured that those taking longer to complete are where changes to systems are required. The COO is not overly concerned on any issues and briefed members on actions in place.</p> <p>Assurance was sought, and provided, that changes to financial accounting standards would not present any problems. The demands for the current year are not overly significant and the relevant information should be available. The support of Alliotts is always helpful in ensuring statements are exemplary and requirements fully met. CM added his assurance that as requirements develop the FE sector's guidance made available from the AoC and OfS is comprehensive.</p> <p>In terms of the flexible working law changes coming into force, the Principal provided assurance of the college's well-managed, open procedures on supporting staff with flexible working requirements as appropriate while ensuring focus on meeting the needs of students and the needs of the business.</p> <p>The Committee Resolved to Approve the External Audit Plan and thanks were noted to CM.</p>
AUD 15/24	<p>Strategic Risk Register</p> <p>Following review of the register at the last committee meeting, the COO had welcomed feedback and took members through the document highlighting the key changes. Discussion and feedback had resulted in an improved risk register showing a more realistic position including rescoring of the underlying risk ratings.</p> <p>For the benefit of the co-opted member and CM, the COO provided a summary of the position regarding risk 15 (subcontractor oversight) and the awaited outcome noting management controls of the provision have increased. The committee was reminded of the college's plans to reduce its reliance on subcontracting and initiatives being explored were explained.</p> <p>Assurance was sought in terms of risk mitigation on risk 14 (business continuity) and explanation of the college's insurance was given (noting the insurance company now covers ¾ of the FE college market). A review of ensuring business continuity in the event of a major incident with support of the insurer will be conducted in due course. Cover has been well developed and the college now has a very large business continuity provision in its insurance coverage. JISC remain the first port of call for any technical loss of service/cyber-attack. With regards to desktop exercises, the Principal informed the committee that moving forward the wider college leadership team will be more involved in scenario planning for such risks to ensure ownership of responsibilities in continuity of learning for students. Request was made for a report to either this committee or the Finance and Resources Committee to support governors in being assured of such activities (Action: COO).</p> <p>The committee was briefed on activities taking place to address staff recruitment challenges in hard to recruit areas for the sector, noting overall recruitment has improved this year. Apprenticeship based staff remain the hardest roles to recruit to and this is a sector-wide challenge. The Principal informed members of actions in place to address the issue with a more strategic approach to proactively recruiting.</p> <p>Query was raised as to whether the team felt the highest rated risks (new build and student attendance) might be reduced next year. Reassurance was provided that risks associated with the estate will lessen once the main construction activity starts. On attendance, changes to processes and staffing models implemented this year are already showing an impact and attendance levels have stabilised. However attendance remains a challenge for the whole education sector and the Principal showed confidence in an improved position for the start of 2024-25. The attendance target going forward is 90% to ensure clarity of understanding for all staff and students. The college uses the ProSuite software which allows real time</p>

	<p>information for progress coaches and teachers to monitor attendance and discussion took place regarding potential AI solutions to allow for greater predictability.</p> <p>The Chair queried the college’s commitment to gaining Cyber Essentials certification and it was confirmed the college had not been in a position to do this previously. In 2024-25 it should be achievable at the first level and potentially the plus level. The COO confirmed that cyber insurance cover is well provided and the committee should take assurance from this.</p> <p>The Principal provided a good summary of local government changes since the General Election and is welcoming conversations with all local MPs to ensure continued support for the college. She further provided welcomed general insight of the new government’s support for education and the national skills picture.</p> <p>The Committee Resolved to Note the updated strategic risk register.</p>
AUD 16/24	<p>Any Other Business None</p>
AUD 17/24	<p>Date of Next Meeting 26th November 2024</p>

The Chair thanked all for attending and the meeting closed at 6.50pm.

Approved as an accurate record of discussions: 26th November 2024