

Minutes of the Audit and Risk Committee Meeting held at 6pm on 1st May 2024 via Teams

Members Present: Eddie Weiss (Chair), Sarah Mason, 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)

Minute No.	Agenda Item
AUD 01/24	<p>1. Welcome, Apologies and Declarations of Interest</p> <p>The Chair welcomed all to the meeting, in particular Sarah Mason (incoming Committee Chair) and Tim Marshall to their first meeting of the committee and Nick Bevan in his new capacity as Co-opted member of the committee.</p> <p>There were no apologies and no new declarations of interest relevant to the business of the meeting.</p>
AUD 02/24	<p>2. Minutes of the Committee Meeting held on 6th December 2023 and Matters Arising</p> <p>Subject to one amendment to Minute AUD 17/13 on wording clarification of assurance provided to the ESFA, Members agreed the minutes were an accurate record of discussion. There were no matters arising from the last meeting.</p> <p>The Committee Resolved to Approve the minutes of the meeting held on 6/12/2023.</p>
AUD 03/24	<p>3. Committee Draft Terms of Reference 2024-25</p> <p>The DG briefed on proposed amendments to the draft terms for 2024-25 noting two additional changes since the papers were circulated (relating to membership size and having the option to meet with auditors without the executive present). The Chair also requested the inclusion of wording to reflect that the Chair must be a governor and this was agreed.</p> <p>Subject to the changes being made as discussed (Action: DG) the Committee Resolved to Recommend the draft Terms of Reference 2024-25 to the Corporation for approval.</p>
AUD 04/24	<p>4. Committee Cover Report</p> <p>The Chair handed over to the COO who introduced his covering report to the management items as follows in line with the items 5 and 6 of the agenda.</p>
AUD 05/24	<p>5. Internal Audit</p> <p>5.1. ESFA Audit Report on Small Group Tuition</p> <p>The college had been selected for an ESFA audit of small group tuition funding and the outcome had been very positive with zero errors found and funding rules being applied correctly.</p> <p>Query was raised regarding terminology used in the ESFA letter and assurance was provided this is standard wording reserving the right to take action should any errors be found prior to year-end, not that there were any concerns for the college's position.</p>

	<p>It was queried whether management felt the audit was an effective use of government funding and the Principal confirmed that the funding itself had certainly been useful in targeting small group tuition students in the run up to GCSE exams given the additional support required, particularly in English and maths which is where the audit was targeted. It is difficult to quantify the benefit of the audit but we know that the application of all ESFA funding streams is not universally applied correctly and as a result it is necessary for there to be some form of random audit process.</p> <p>Some students who had suffered significant disadvantage with learning gaps since Covid would have benefited more than once from the funding and support was offered that this be included in annual reporting reflecting the college's inclusiveness and support for all students. It was noted the funding is ending after three years and will stop at the end of this academic year.</p>
AUD 06/24	<p>5.2. Plans for Remainder of 2023-24</p> <p>The ESFA had confirmed they are satisfied with the college's subcontracting audits and no further assurance report will be needed until July 2026. Opinion is awaited from the Greater London Authority before determining the need for a further audit of subcontracting in the current year.</p> <p>The COO confirmed that he is currently liaising with the internal auditors for a health and safety audit.</p> <p>The COO had discussed with the incoming Committee Chair outside of the meeting the notion of a more flexible approach than the traditional internal audit planning. The incoming Chair then briefed the committee on the notion of a total assurance framework which combines all assurance reviews the college has throughout the year with specialist firms looking at specialist areas and internal auditors conducting more routine assurance based audits (finance, payroll, safeguarding etc.). Ultimately such a framework would allow increased assurances for the committee and Board than the current internal audit plans cover.</p>
AUD 07/24	<p>5.3. Appointment of Internal Auditor for 2024-25</p> <p>Given the proposal to develop a total assurance framework as discussed, the committee agreed the sensible approach of reappointing TIAA as the internal auditor for a further year to allow time next year to decide auditing requirements moving forward.</p> <p>Clarification was sought regarding the use of contractors conducting audits and risk to independence and the COO provided assurance that all audits will be conducted independently whether by an alternative department of such contractor or an alternative provider altogether to ensure no conflicts of interest.</p> <p>The Principal added that the assurance framework would be developed in order for the committee to be assured of what is covered and assess any gaps which might require specialist audit focus.</p> <p>Following discussion, the Committee Resolved to Endorse the appointment of TIAA as internal auditors for a further year and review again in line with the review of the assurance framework.</p>
AUD 08/24	<p>6. Strategic Risk Register</p> <p>The COO took members through the latest update to the new risk register noting the pace of change as reflected in reports. The two main challenges are still student attendance and the estates strategy (costs) and these remain high priority items.</p>

	<p>Query was raised regarding reporting of risk ratings before and after controls relating to delivery of the new campus and it was agreed the underlying risk rating entered when the register was first drafted is now appearing too low when compared with current circumstances reflected in the residual risk rating after control measures have been considered.</p> <p>The register is updated for each meeting of the committee and suggestion was made that historical movement be included to show how long each item has been in each rated position. The Principal added this is linked to Board discussion in showing similar on the KPIs which was agreed helpful for governors to review movements.</p> <p>Discussion took place regarding how risks are displayed and the Principal confirmed the new register more clearly articulates the actual risks than in previous versions and is far more accessible for the college leadership team to review.</p> <p>Suggestion was made to consider including external risks (e.g. change of government) and unpredictable risks (e.g. pandemic) and how the college responds to these with a risk process/crisis response in place. The committee agreed this would be a welcome development to the risk register.</p> <p>The Committee Resolved to Note the strategic risk register.</p>
AUD 09/24	<p>7. Any Other Business</p> <ul style="list-style-type: none"> As it was his last meeting, the DG noted thanks to him for his time, dedication and support throughout his time as governor with the college. The Chair noted his thanks to the team for their support and wished the incoming Chair well for her time in the role.
AUD 10/24	<p>8. Date of Next Meeting 10th July 2024</p>

The Chair thanked all for attending and the meeting closed at 6.55pm.

Approved as an accurate record of discussions: 10th July 2024