

AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the hybrid meeting held on 5 October 2021 at 4.00pm

- Present virtually:** H Nydam, co-opted
J Gazzard, Chair
N Roberts, co-opted
- In attendance:** J Raffel, CFO
L Cox, Scrutton Bland
N Savvas, CEO
P Ewan, WSC Finance Manager
S Gales, Governance Professional
S Graham, Group Director of HR
- Apologies:** C Sutherland, RSM
J Wakelam, Vice Chair
P Goddard, Scrutton Bland

The meeting started slightly later than scheduled at 4.13pm

- 1 **Appointment of Chair and Vice Chair**
The Committee recognised Jim Gazzard as the Chair and Julia Wakelam as the Vice Chair of the Audit and Risk Management Committee for 2021/22, as appointed by the Corporation at their meeting on 9 July 2021
- 2 **Declaration of Interests and Apologies for absence**
No conflicts of interest in relation to the items of the agenda were declared.

Apologies were accepted from C Sutherland, J Wakelam and P Goddard.
- 3 **Minutes of the meeting held on 21 June 2021**
The minutes of the meeting held on 21 June 2021 were **agreed** as an accurate record.
- 4 **Matters Arising from meeting on 21 June 2021**
The matters arising from the meeting were summarised in the report and all actions reported had either been completed or, where appropriate an update had been provided on progress.
- 5 **Committee Terms of Reference and Committee Skillset**
Governors received and considered the draft Terms of Reference and Committee Skillset provided.

Governors acknowledged the immense contribution of Alan Maltpress as a former Committee member and noted the impact of his resignation as a highly experienced Committee member on the membership. Governors agreed there is an urgent need to appoint additional Governors with the appropriate skills to support the Committee.

Governors **approved** the Terms of Reference and Committee Skillset.
- 6 **Risk Management Update**
There are currently **1 red**, **5 amber**, **20 yellow** and **15 green** risks on the register, which includes 1 new risk (R112) 'risk that the college does not meet its APP spending or performance commitments resulting in additional requirements of registration, financial sanctions or a failure to re-register with the OfS in AY 2025-26, resulting in the loss of the HE provision' which has been rated amber. No risks have been removed.

Action

SGales

Governors discussed R111 'Loss of access to key systems due to malicious attack or illegal activity' and queried if the firewall update had been implemented. JRaffel to liaise with the Group Director for IT and inform the Committee.

JRaffel

Governors discussed R103 'Covid-19 outbreak leads to full or partial college closure, following restrictions imposed leading to loss of revenue' and queried if the business continuity plan for IT has been updated to respond to the latest guidance. NSavvas agreed that John Nicholson to provide an update for the next meeting.

JNicholson

7. **Internal Audit Recommendations Tracking Report**

Governors received and considered the tracking report showing 16 recommendations, of which 3 are complete, 8 are on going, and 1 is partially complete, with 4 unchanged since the last report.

Governors discussed the recommendation from the financial controls audit and queried the Executive's plan for improving debt collection in a timely manner. PEwan outlined the strategy to resolve this issue. Governors asked for a further update on this matter at the next meeting. Governors also proposed the College undertake credit checks to support debt chasing effectiveness.

PEwan

8. **Internal Audit Strategy and 2021/22 Annual Plan**

Governors received and considered the 2021/22 internal audit strategy and a summary of the internal audits undertaken in 2020/21.

Governors **approved** the proposed 2021/22 internal audit strategy.

Governors received and considered the 2021/22 Annual Plan and noted that of the 11 internal audits completed, 8 received strong/significant assurance ratings, 1 was compliant and 2 received reasonable/reasonable progress assurance ratings. Governors noted that the number of recommendations are both less in total and less in risk level than in 2019/20; and LCox noted the College is a strong performer compared to other GFE colleges they support.

Governors asked for an update on progress against the High-Risk rating recommendation at the next meeting.

JRaffel

9. **Internal Auditor's Findings Report**

Governors received and considered the Internal Audit for IT Infrastructure which received a '**reasonable**' rating with 8 recommendations (of which 3 are medium and 5 are low risk). LCox outlined each recommendation and the response from the Executive, which are due for completion by November 2021.

Governors queried the status of the IT disaster recovery plan and whether this has been tested. NSavvas confirmed that throughout lockdown the IT disaster recovery plan has been tested and continuously improved; and the Executive continue to refine the plan (as part of the business continuity plan) and the associated communications plan. Governors asked for the Group Director of IT to attend the next meeting to provide assurance on the efficacy of the IT disaster recovery plan.

SGales

Governors received and considered the Internal Audit for Subcontracting which received a '**significant**' rating with 1 recommendation (which is medium risk). LCox outlined the recommendation and the response from the Executive, which has been implemented.

Governors received and considered the Internal Audit for High Needs Learner Support (Health Check) which received a '**significant**' rating with 1 recommendation (which is low risk). LCox outlined the recommendation and the response from the Executive, which has been implemented.

Governors commended the SEND team for the excellent systems and processes in place as evidenced by this audit.

NSavvas

Governors received and considered the Internal Audit for Business Continuity which received a '**strong**' rating with no recommendations.

Governors commended the Executive for the excellent systems and processes in place as evidenced by this audit and queried the College's continuing ability to maintain robust processes in the national context of burnout and rising absences as a legacy impact of Covid-19. NSavvas noted that the Executive are alive to the context however are working together to put support structures in place to support staff teams. Governors asked to audit this again in the near future in order to ensure the assurance level remains strong.

NSavvas

JRaffel

Governors received and considered the Internal Audit for PLACE21 Project Review which received a '**strong**' rating, with no recommendations. LCox noted that two projects were in progress so outcomes could not be included in the audit and so these will be reviewed as part of the 2021/22 audit schedule.

Governors queried whether this audit had taken place to address a specific concern. NSavvas confirmed that it was to provide assurance that the funds were being discharged appropriately to mitigate any risk of future clawback.

10. GDPR Update

Governors received and noted the report provided.

11 Any Other Business

- **Potential Fraud instance**

JRaffel updated on the ongoing investigation of the potential fraud instance. Governors approved with the approach, given the small financial amount in question, to follow internal investigation.

The meeting closed at 5.10pm