

AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the hybrid meeting held on 20 November 2023 at 4.30pm

Present physically in ASFC: J Wakelam, Vice Chair

Present virtually: J Gazzard (part) K Chapman, Chair
H Nydam, co-opted M Searcey

In attendance: A Brewster, Finance Manager
A McGarel, CFO
C Shepherd, Group Audit & Risk Officer
M Chatt, Interim CFO
N Savvas, CEO
P Ewan, Head of Finance
P Goddard, Scrutton Bland
S Gales, Governance Professional
S Graham, CPO
S Mason, RSM

Apologies: N Roberts, co-opted

Absences:

In accordance with clause 61 of the Post-16 Audit Code of Practice, all members of the Corporation were invited to attend the first part of the Audit and Risk Management Committee meeting to receive the external auditors' annual findings report.

Governors in attendance for agenda items 1 to 6 only: A Duffety (part)
C Chua (part)
C Higgins (part)
E D'Souza (part)
H Colthorpe (part)
J Drake (part)
R Hetherington (part)

1. Declaration of Interests and Apologies for absence

J Wakelam declared her role as a Trustee of Suffolk Academies Trust. No conflicts of interest in relation to the items of the agenda were declared.

Apologies were accepted from N Roberts.

C Chua joined the meeting at 4.36pm

2. Audit Committee's Annual Report

Governors received and considered the report provided.

Governors commended and **approved** the report, subject to the amendment to the typo of the year. CFO to update.

Governors **noted** the strength of risk management at the College, with the Committees' reviewing specific risks linked to the Committee specialism and feeding back into the Audit and Risk Management Committee.

The Corporation Chair **noted** that our 2022/23 External Governance Review commended our approach to Risk Management. Governors **agreed** to review the Risk Register strategic and Group wide risks annually. The Corporation Chair and Governance Professional to schedule this.

3. Regularity Self-Assessment Report

Action

CFO

Corporation
Chair
Gov. Prof.

Governors received and considered the report provided.

Governors commended and **agreed to recommend** the report the Corporation.

4. **2022/23 Audited Accounts**

Governors received and considered the draft audited accounts provided.

The CFO advised the accounts are draft and will be updated further before coming to the Finance Committee and then Corporation for approval.

Governors noted the College delivers T Levels and discussed whether to include reference to this in the Accounts. The CFO to consider.

CFO

H Colthorpe left the meeting at 5.00pm

Governors commended the strength of the document, though identified typos and legacy data in the document and asked the CFO to amend. Governors to feedback additional comments to the CFO.

CFO

The Governance Professional outlined the Finance Committee will review the updated Accounts at their meeting on 30 November and then the final version will come to the Corporation for consideration/approval on 13 December 2023, then will be submitted to the ESFA.

5. **External Auditors Audit Findings Report**

Governors received and considered the draft report provided.

S Mason presented the interim findings, explained why the audit has been delayed, when the final version will be prepared and the additional anticipated costs.

J Gazzard left the meeting at 5.19pm

Governors queried if there is a risk that the final version may be delayed and could miss the 13 December Corporation meeting. S Mason answered this, and Governors discussed how to manage in this eventuality.

Governors discussed the 'recommendations on controls' and **noted** these are low value, significance and risk. Governors discussed the assessment key does not help highlight the key risks, and asked S Mason to review and propose new key to assist the Committee to prioritise recommendations effectively.

RSM

Governors queried why there was an underspend of funds received for CDF/Care Leavers/24+ Bursary. P Ewan answered this and explained planned actions to improve future utilisation.

E D'Souza left the meeting at 5.25pm

Governors queried the cause for the credit card expense recommendation. P Ewan answered this.

6. **Internal Auditor's Annual Report**

Governors received and considered the annual report provided, which summarised the five assurance assignments (of which two received 'reasonable' and three received 'significant' assurance opinions) with a total of 22 recommendations (of which 7 were medium risk and 15 were low risk) and the subcontracting audit.

C Chua left the meeting at 5.30pm

Governors noted that some recommendations from the previous year were ongoing, and queried if this was a concern. P Goddard answered this noted there will be an additional review to evaluate the progress and report back to the Committee.

7. **Minutes of the meeting held on 2 October 2023**

The minutes of the meeting held on 2 October 2023 were **agreed** as an accurate record.

A Duffety, J Drake and R Hetherington left, and J Gazzard re-joined the meeting at 5.39pm

8. **Matters Arising from meeting on 2 October 2023**

Six of the matters arising from the previous meeting were complete and/or closed, three were ongoing.

The Governance Professional provided a verbal update on work to review the proposed schedule of internal audits.

Governors discussed the risks associated with environmental sustainability and net zero, and asked FA Risk and CFO to consider further.

CFO
FA Risk

Future GDPR updated to include lessons learnt.

CPO

Governors discussed and **approved** the updated Committee Skillset and Terms of Reference, subject to changing 'delegated authority 5' to "*To scrutinise the robustness of the Corporation's control framework and to assess its application in practice*".

9. **Risk Management Update**

There are currently **2 red, 8 amber, 15 yellow** risks on the register and 2 risks have been removed from the register.

Governors discussed WSCR007 (relating to Apprenticeship data mismatches) and queried whether this risk should be higher given the scale of the financial risk. P Ewan answered this.

Governors discussed WSCR026 (relating to maintenance schedules) and queried whether this is has been adversely impacted by the departure of the Group Operations Director. The CEO confirmed it had not.

Governors **agreed to recommend** the Risk Register to the Corporation, subject to amending the RAG rating error on page 2.

FA Risk

10. **Audit Recommendations Tracking Report**

Governors received and considered the tracking report which shows that of the 14 recommendations; 6 are complete and 8 are ongoing.

FA Risk confirmed the Business Continuity Plan is complete. Governors queried if the IT Disaster Recovery Plan is complete. The FA Risk confirmed that it is.

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

i. **Mental Health and Wellbeing**

Governors received and considered the internal audit which took place in July 2023 and noted the grade of **significant assurance** and the five low risk recommendations.

Governors **noted** the recommendation dates need to be updated and asked the CFO and FA Risk to amend and include in future Audit Recommendation Tracking Reports.

CFO
FA Risk

12. **GDPR update**

Governors received and considered the update report provided and the CPO summarised the key information.

Governors queried what the License to Lead programme is. The CPO answered this.

13. **Any Other Business**

i. **RSM emerging issues**

Governors received and **noted** the report provided.

ii. Reports

Governors commended the quality of reports, though asked the Executive to refine reports to make further use of Executive Summaries with hyperlinked detail.

iii. AoC Code of Governance

Governors asked when the new Code will be discussed. The Governance Professional confirmed it has been reviewed by the Nominations and Governance Committee and they are recommending the Corporation adopt it, at the Corporation meeting on 13 December 2023.

The meeting closed at 6.18pm