

AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the hybrid meeting held on 2 October 2023 at 4.30pm

Present physically in ASFC: J Wakelam, Vice Chair

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

In attendance: A McGarel, CFO
A Brewster, Finance Manager
C Shepherd, FA - Risk
N Savvas, CEO
P Ewan, Head of Finance
P Goddard, Scrutton Bland
S Gales, Governance Professional
S Graham, CPO

Apologies: N Roberts, co-opted
S Mason, RSM

Absences:

1. **Appointment of Chair and Vice Chair**

The Committee recognised Karen Chapman as the Chair and Julia Wakelam as the Vice Chair of the Audit and Risk Management Committee for 2023/24, as appointed by the Corporation at their meeting on 12 July 2023.

2. **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 and S Mason.

The Committee welcomed M Searcey.

3. **Terms of Reference and Committee Skillset**

Governors received and considered the Terms of Reference and Committee Skillset provided.

The Internal Auditor noted that point 9 of the Policies/Reports to scrutinise and recommend to the Corporation includes a MAT-specific clause which is not applicable to Colleges. Governance Professional to remove the wording: 'incorporating the annual report on internal scrutiny'.

The Internal Auditor informed that many Colleges add a responsibility to 'ensure compliance with the (soon to be released) ESFA College Handbook' and to 'provide an opinion on the adequacy and effectiveness of the corporation's assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets'. Governors agreed to add these terms within the Terms of Reference.

Governors discussed the proposed removal of the complaints policy from the Terms of Reference and agreed to keep this within the Terms of Reference.

Governors discussed when to schedule the Control Framework and agreed to review this in February 2024.

Action

Gov. Prof.

Gov. Prof.

Gov. Prof.

Governors **approved** the Terms of Reference and Committee Skillset provided, subject to the amendments above.

Gov. Prof.

4. **Minutes of the meeting held on 19 June 2023**

The minutes of the meeting held on 19 June 2023 were **agreed** as an accurate record.

5. **Matters Arising from meeting on 19 June 2023**

All matters arising from the previous meeting were complete and/or closed.

Governors reviewed the two appended reports: the draft contracts and bids register and the 2023/24 Internal Audit scopes. Governors noted that the planned Mental Health and Wellbeing audit has been cancelled (as previous assurance work on this was undertaken in 2022/23) and an additional 'Follow-up on previous recommendations' audit has been scheduled.

The CFO advised that Scrutton Bland are now the Internal Auditors for the Corporation and to the Trust, which enables us to better schedule internal audit work as a Group.

Governors discussed the different purposes of the two planned 'Follow-up on previous recommendations' audits in November 2023 and June 2024.

Governors noted the proposed schedule of internal audits may need to be reviewed further to ensure the dates best fit with the Corporation's business cycle. Chair, CFO and Governance Professional to discuss.

Chair
CFO
Gov. Prof.

Governors discussed the number of days assigned to internal audits is lower than the allocated days within the contract, and the Internal Auditor advised these will likely be utilised throughout the year to conclude the findings reports.

6. **Risk Management Update**

There are currently 2 **red**, 9 **amber**, 16 **yellow** risks on the register, of which 2 new risks (WSCR066 relating to Safeguarding and WSCR065 relating potential bid/grant funding clawback) have been added to the register and 1 risk has been removed from the register.

Governors commended the new chart showing the spread of risks as reported to the other Committees.

Governors asked for an additional chart to show the spread of risks as they link to the Group Strategic Plan 2022-25.

FA Risk

Governors noted several typos including the Risk End Date year and asked for these to be corrected.

FA Risk

Governors discussed the future mitigation of WSCR029 (relating to ongoing compliance with OfS) and noted there will be both be a formal Internal Audit as well as ongoing internal cross-checking to evaluate the effectiveness of mitigations.

Governors discussed WSCR035 (relating to the reliability of management information systems) and asked if the post mitigating score was because of the Internal Audit findings reports 'reasonable assurance', and queried if any further mitigations were needed/planned. The CFO advised that significant work has taken place on this, and an update will be included in the next report.

FA Risk

Governors discussed WSCR034 (relating to staff recruitment and retention) and queried if this was a particular concern for the College. The CPO confirmed that staff retention is above the sector average.

Governors discussed WSCR045 (relating to fraudulent activities) and noted the future mitigations were new security measures within systems and processes; and asked for an update in the next report.

FA Risk

The Internal Auditor informed that many Colleges include a risk relating to sustainability and progress towards net-zero. Governors asked the CFO to consider and add an appropriate risk to the register.

CFO

7. Audit Recommendations Tracking Report

The Committee received and considered the tracking report which shows that of the 16 recommendations; 4 are complete and 12 are ongoing.

The FA Risk advised that the IT recommendations remain ongoing, as teams were focussed on completing the significant domain-merge project over the summer.

The CPO provided a verbal update on the HR recommendations which are now complete.

8. Internal Auditor's Findings Report

i. Subcontracting Standard requirements

Governors received and considered the internal audit which took place in July 2023 and eight areas were deemed to be **fully compliant** with two areas deemed to be **partially compliant**. The three actions arising from the report are now complete.

The CEO informed the College has intentionally reduced its subcontracted provision over the last decade provision and now only subcontracts a very small provision.

9. GDPR update

Governors received and noted the update report provided.

The CPO noted that in 2022/23 there were 45 GDPR breaches; of which 1 was reported to the ICO, and all were handled in accordance with our GDPR policy. In the same period there were 5 Data Subject Access Requests and 2 Freedom of Information requests; of which 1 from UCU in relation to staff pay terms and 1 from a journalist in relation to RAAC building survey results.

Governors discussed the RAAC building survey results and agreed to add a risk relating to RAAC to the Risk Register.

CFO

The CPO informed that Rebecca Greenacre has taken over as Group Compliance and GDPR lead.

The CEO advised that rather than setting an arbitrary benchmark for GDPR, we want to instil a learning culture where breaches are reported, and lessons are learnt. Governors supported this approach.

The CPO to capture the lessons learnt in future reports.

CPO

10. Any Other Business

None.

The meeting closed at 5.56pm