

**Greater Brighton Metropolitan College
Meeting of the Audit and Risk Committee**

**PART 1: Minutes of a meeting held virtually via Google Meet
Tuesday 05 October 2021 at 3.30pm**

Present: Anne Ackord, Christopher Bennett, Mark Crowter (Chair), Kathleen Downes

In attendance: Andy Cole (Interim CEO) Jon Rollings (COO), Sarah Box (Governance Officer), Melissa Drayson (Governance Consultant & Clerk) from 4pm, Clarence Mpofu (TIAA), Kevin Moloney (TIAA), Roy Plowman (TIAA) for Item 2 only.

Apologies: Steve Bassam

1. WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST

The Chair welcomed all attendees to the meeting and noted apologies from Steve Bassam. Under declarations of interests, it was noted that Kathleen Downes and the TIAA attendee delivering the risk management training, Roy Plowman, were cousins once removed.

2. AUDITOR TRAINING SESSION: RISK MANAGEMENT

Roy Plowman presented the session explaining the relevance of the training now that the Committee had extended its remit in the area. The development of a Board Assurance Framework had been recommended by the recent internal audit. It would set out the strategic objectives, identify risks in relation to each objective and the controls to mitigate these. The framework would underpin the risk processes in the college, allowing the Board to be fully engaged. The pre-merger status was noted along with the unique risks this will present, alignment of processes with CCG would help manage these in the run-up to the merger.

The COO described the next stage in developing the BAF and how it would be tailored taking into account the merger. A risk management session was scheduled for the forthcoming Board awayday on 9 November and this would allow governors the opportunity to debate and discuss the Board's appetite for risk and to understand the risks arising from current strategic objectives up to the point of merger.

The Interim CEO and COO left the meeting

3. CONFIDENTIAL AUDITOR SESSION

The Internal Auditor noted that in general the audit documentation is delivered as requested and teams were engaged in the process.

It was noted that some extensions had been requested in relation to the Apprenticeship audit actions. Although the QIP was very detailed and had many interdependencies, dovetailing with other assurance documents, controls and monitoring, it was felt that it was important to maintain momentum. The Committee discussed that the will for completing actions was present but that it was likely a resourcing issue that might become exacerbated in the run-up to the merger.

The Chair of the Committee reported that he had received a report from the External Auditor who confirmed that all deliverables had been submitted on time and to the required standard. The Internal Auditor confirmed that a meeting was scheduled for the two auditors to meet.

Referencing the outcomes of the recent IT Resilience internal audit, it was queried whether a separate GDPR audit was required to fully consider some of the issues raised and it was agreed this would be discussed with management later on in the meeting. The internal auditors confirmed that the overall rating of 'reasonable assurance' was TIAs genuine evaluation indicating that some attention was required to the controls.

The Interim CEO and COO re-joined the meeting

4. MINUTES OF THE MEETING HELD ON 12 JULY 2021

The minutes of the meeting held on 12 July 2021 were approved.

RESOLVED:

That the 12 July 2021 minutes were APPROVED as a true record and the Chair's electronic signature would be applied.

5. ACTIONS ARISING FROM THE MINUTES

The Committee received and noted a schedule outlining the progress of actions from the minutes of previous meetings which were all complete or due for report at a later date.

The action relating to minute 6.1 was discussed and TIAA confirmed that additional supporting detail would be added to future reports.

6. INTERNAL AUDIT REPORTS

The auditor drew the committee's attention to the Emerging Governance, Risk and Internal Control section of the Summary Internal Controls Assurance (SICA) Report, explaining that a survey of clients had been undertaken to ascertain how organisations are planning to deliver some of their functions going forward. A number of questions regarding Audit Committee meetings effectiveness since the pandemic started had been included. He reported that the experience of remotely held Audit Committees meetings had been positive with the majority of respondents recording no change in attendance, efficiency and engagement at meetings.

6.1 Health and Safety

Reasonable assurance had been provided, with four recommendations made, none of which were 'urgent' priority. One was rated 'important' and three were rated as 'routine', with two good practices noted. Fire training and evacuation drills had been impacted by the pandemic and the 'important' recommendation was for an action plan to be developed to ensure that the backlog in delivering fire training and evacuation drills is addressed. This would include an assessment of any risks that may arise as a result of the backlog

The COO explained that fire evacuations had temporarily been paused during the previous year due to the COVID risk of bringing large groups of people together. He confirmed that fire sweeper training was currently underway and fire drills would recommence in the next few weeks.

6.2 IT Resilience and Fitness for Purpose

Reasonable assurance had been provided, with 8 recommendations. 4 of which were 'important' and 4 as 'routine'. The auditor highlighted the potential risk in complying with the Data Protection Act 2018 and recommended a GDPR mapping exercise was conducted.

In addition, the security risk of student and payroll information being held on legacy systems was noted. The recommendation was to assess the risk by transferring legacy information to new systems or ensuring sufficient measures have been taken to protect personal data. The COO confirmed that this process would be resolved in-house.

The Committee asked for assurance that the recommendation relating to the GDPR mapping did not imply material non-compliance across other areas of the college. The COO confirmed that this was not the case and that a suite of controls is in place, including a data protection policy and training. However there was not currently an overarching assurance document in the form of a GDPR map. Data Protection was not assigned to a full-time role in the college and therefore work was managed alongside other key priorities.

Members commented on the significant scale of the task and recommended that it was considered as an area for further IA assurance as part of the annual plan discussed at item 7.

6.3 Delivery of the Recovery Plan - Governance Arrangements

Substantial assurance had been provided, with only two 'routine' recommendations made. The auditor noted that the key challenge continued to be the College's overall financial health, which was being reviewed regularly via case conferences with the ESFA. The sound project management process was noted.

7. INTERNAL AUDIT PLAN 2021-22

The Audit Plan for 2021/22 was presented which had been developed using the 3 year Strategic Plan approved by the Audit & Risk Committee at the meeting held in February 2021. The plan had also been informed by the College's updated key risk schedule in addition to the risks currently present within the sector.

Comments were invited on the plan and it was agreed that a GDPR audit would be incorporated in the plan as discussed earlier on in the meeting.

The Committee discussed whether there were any areas within the key financial controls which needed focused auditing. The COO noted that the audit was intended to provide standard ongoing assurance and that historical audit work had shown generally good practice in the team. It had been included in the annual plan on a rolling programme to ensure a continued focus.

The newly appointed Interim CEO confirmed that with 'fresh eyes' he considered the plan to be comprehensive and the schedule was appropriate.

Members held an in depth discussion on the learner numbers audit and how this could offer a wider FE/HE perspective for the committee than just basic student numbers data. The internal auditor suggested that in their discussions with the external auditor they could consider this, picking up the outstanding recommendations from the previous Apprenticeships audit and provide a comparison between this year and last.

Management confirmed that Apprenticeships continued to be under very high scrutiny, both internally and externally by regulators and it was important to ensure that the planned audit work would add value. It was considered that the overarching Board Assurance Framework, discussed earlier in the meeting, could help provide the Committee with the required assurance as it would show wider reporting and review by Ofsted, ESFA, FEC, other Board committees and present a whole college view of assurance and risk.

In addition, it was agreed that co-opted members could be kept informed of the key areas of assurance by receiving the Interim CEO's report to Board and attending the risk session planned for the awayday on 9 November.

RESOLVED:

That it would be recommended to the Board that the Internal Audit Plan 2020-21 was APPROVED subject to the amendments discussed.

ACTION:

- ***Incorporate a GDPR audit in the annual plan for 2021/22 (TIAA)***
- ***Circulate Board CEO report to co-opted members and invite to Risk Management session at Board awayday. (Governance Officer)***

8. REPORT OF ANY INCIDENCES OF, OR ATTEMPTED, BRIBERY, FRAUD OR WHISTLEBLOWING

A confidential minute was taken at this point.

9. ESFA AUDIT

It was reported that the College had been notified by the ESFA that a funding audit would be undertaken by PWC on their behalf, however, the date had not yet been confirmed. Several funding audits had taken place in the predecessor colleges and at GBMET since merger but the process had altered slightly as it now runs further through the year. The significant workload the audit will bring, especially for the MIS team, was noted in addition to the work required on Due Diligence for the merger.

The Committee was advised that the audit would be very detailed, due to the prescriptive nature of the funding, but no specific areas of compliance concern had been identified. The IA ensures a focus on this area on an annual basis to ensure preparedness.

10. REGULATORY SELF ASSESSMENT QUESTIONNAIRE

The Committee recommended the Regulatory Self Assessment Questionnaire to the Board for approval. It was noted that it is a standard document to support the work of the External Auditor as part of the regularity assessment, some final updates were required prior to its submission to Board.

RESOLVED:

That it would be recommended to the Board that the Regulatory Self Assessment Questionnaire 2020-21 was APPROVED subject to the final updates required.

11. RISK MANAGEMENT UPDATE

The latest Key Risk Schedule was received by the Committee, which was subject to a monthly review by CMG. A deep dive had not been undertaken for this meeting due to the earlier risk training session.

12. COUNTER FRAUD STRATEGY

The final version of the Counter Fraud Strategy, having been received by the committee in draft at the July meeting was received. Feedback provided by TIAA and the Chair of the Board had been incorporated, followed by a final review by the College Management Group (CMG).

The Strategy was recommended to the Board for approval. The Chair pointed out that whilst the document is key, counter fraud strategies shouldn't sit in a policy but within an organisation's culture.

RESOLVED:

That it would be recommended to the Board that the Counter Fraud Strategy was APPROVED.

13. COMMITTEE AND GOVERNANCE BUSINESS

i. Terms of Reference compliance review 2020-21

Audit and Risk Committee business during 2021/21 had been reviewed against the ToR and members were invited to comment on the draft. The review illustrated that the Committee had complied with all of its ToR with the exception of evaluating the performance of the internal and external auditors during the year. This was highlighted as an action for the March meeting.

ACTION:

Schedule an evaluation of the performance of the internal and external auditors at the March meeting (Governance Officer)

ii. Review of TOR against Audit Code of Practice 2021

The Committee noted the updated Post-16 Audit Code of Practice 2020-21 (ACOP) at the meeting held on 21 April 2021. The current Terms of Reference had been reviewed against the new ACOP and these were recommended for approval.

RESOLVED:

That the updated Audit and Risk Committee Terms of Reference are recommended to the Board for APPROVAL.

iii. Register of Interests and Gifts and Hospitalities report

The report was noted.

14. INSURANCE REVIEW

The COO confirmed that this was the first time the insurance review had been submitted to the Audit and Risk Committee. He explained that FE Protect had been appointed as the College's insurance provider for a three-year period following a tender process in 2018. The contract was subsequently extended to cover the 2021/22 period to take advantage of forward purchasing cover for a two-year period to provide cost certainty and the benefits were set out in the report provided. The increased costs around the liability of cyber crime were noted.

15. ANY OTHER BUSINESS

There was no other business.

16. DATE OF NEXT MEETING

The next meeting was scheduled for Tuesday 30 November 2021 at 3pm.

Signature of Chair.....  Date.....30/11/21.....