

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

**Part 1: Minutes of a meeting held virtually via Google Meet
Monday 12 July 2021 at 3.30pm**

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

In attendance: Andrew Green (Interim CEO) Jon Rollings (COO),
Sarah Box (Governance Officer), Melissa Drayson (Governance
Consultant & Clerk), Dominic Blythe (RSM), Clarence Mpofo and Kevin
Moloney (TIAA)

Apologies: None

1. WELCOME, INTRODUCTIONS AND APOLOGIES

The Chair welcomed all attendees to the meeting.

The Interim CEO and COO left the meeting

2. CONFIDENTIAL AUDITOR SESSION

A confidential minute was taken at this point.

The Interim CEO and COO re-joined the meeting

3. MINUTES OF THE MEETING HELD ON 5 FEBRUARY AND 21 APRIL 2021

RESOLVED: *That the 5 February 2021 and the 21 April 2021 minutes were APPROVED
as a true record and the Chair's electronic signature would be applied.*

4. 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 later.

5. FINANCIAL STATEMENTS AND REGULATORY AUDIT PLAN 2020/21

The Financial Statements and Regularity Audit plan for 2020/21 was discussed and approved. Audit work was underway, although in the very early planning stage. The Committee noted a key change to the Audit Code of Practice, stating that the ESFA is no longer providing assurance to the external auditor from its funding audits, over income recognised in the accounts from the main funding grants generated through ILR returns. A clarification document was awaited from the ESFA on this.

A confidential minute was taken at this point.

The Emerging Issues report outlining key developments for governors was noted. Re-engagement with employers would be a focus for the Apprenticeships team, alongside the

work they were currently undertaking to drive improvement and improve the quality of provision.

The report set out some areas of challenge for Governors to consider in relation to Going Concern. These were discussed and the COO confirmed that the areas were already in hand. **A confidential minute was taken at this point.**

The Committee also noted the FE and blended learning recommendations, reflecting that the lessons learned during previous lockdowns would help inform online provision going forward. Some students, on courses such as Adult Access, had reported their preference for a blended delivery explaining it contributed to a better study/life balance. The Interim CEO reported that, at CCG, some delivery of English and maths via an online platform had proved successful.

It was agreed that an update on progress with the external audit should be brought to the Committee in October

RESOLVED:

That it would be recommended to the Board that the Financial Statements and Regularity Audit Plan 2020-21 was APPROVED.

ACTION:

Schedule Financial Statements and Regularity Audit update on October ARC agenda (Governance Officer)

6. INTERNAL AUDIT REPORTS

6.1 Risk Management

The Internal Audit Report on Risk Management was discussed. Reasonable assurance had been provided, with seven recommendations made, none of which were 'urgent' priority. Three were rated 'important' and four were rated as 'routine', with two good practices noted. The Internal Auditors considered that the essential components were in place, but recommended they were underpinned by a Risk Assurance Framework.

The Committee discussed the Reasonable Assurance rating provided in the report and it was agreed that the summary section of the Risk Management Report would be enhanced to evidence the assurance opinion more effectively and to reconcile the level of assurance with the actions and recommendations. It was suggested that strengths should also be included as evidence of Reasonable Assurance. The Chair noted the increased sensitivity to risk given the College's financial position and recent history, and the importance of ensuring that there was capacity to manage risk within the Senior Team. Management testified to the rigour with which the audit had been undertaken but agreed that more could be done to capture the risk based approach used at the college within the risk management framework.

6.2 Progress Report

Of the 22 previously reported Priority 1 and 2 recommendations, 6 had been implemented and 15 were not yet due. One recommendation was overdue, which related to the updating of the Apprenticeship Board Terms of Reference. The COO confirmed that the membership and focus of the Board will be reviewed in preparation for 2021/22 and the ToR will be updated once this has been done. The ARC agreed a revised due date for this of 30th September.

Action:

Enhance the summary section of the Risk Management audit report to provide evidence of the reasonable assurance assessment (TIAA)

7. OUTSTANDING AUDIT RECOMMENDATIONS: PROGRESS REPORT

The outstanding audit recommendations were reviewed. It was confirmed that the remaining medium priority recommendations would be completed by the end of the academic year or fed into the new recommendations provided by the recent H&S audit. It was also agreed that the COO would discuss the low-level recommendations with TIAA with a view to either incorporating these into the rolling recommendations list or delegating oversight to management.

Action:

COO to discuss low-level recommendations with TIAA with a view to either incorporating these into the rolling recommendations list or delegating oversight to management. (COO/TIAA)

8. RISK MANAGEMENT UPDATE (INC. COVID DEEP DIVE)

The latest Key Risk Schedule was received by the Committee. It was noted that the document was subject to a monthly review by SLT and was circulated to governors and the monthly ESFA case conference meetings.

The risks showing an increased risk profile were discussed; **a confidential minute was taken at this point**, plus COVID as detailed in the deep dive.

The COO explained that COVID risks had been assessed throughout the pandemic. There had been a reduction in cases, followed by a period with substantial increase and transmission within the student population, considered to be due to the new variants. The holiday period would mean that the risk would reduce, and guidance was awaited to inform the College's approach for September.

Governors asked if any long covid cases had been documented and if this posed a reputational organisational risk. In response, it was confirmed there hadn't been any cases reported to date. The College was working closely other local colleges and the situation across the region was being monitored, and it remained important to take swift action if required.

It was pointed out that the risks relating to student recruitment did not indicate that the position had deteriorated, but reflected a slowing down in applications in the most recent month compared to those previously reported. This was normal at this point in the recruitment cycle, but it was important to note the potential risk and inherent uncertainty in the recruitment process.

The Interim CEO arrangements were confirmed to be in hand with a potential candidate to replace Andy Green identified. An announcement regarding future interim arrangements would be made ahead of the summer.

A confidential minute was taken at this point.

The Committee agreed that it was best to maintain a cautious approach to risk scoring to ensure that red risks were kept under close review.

A confidential minute was taken at this point.

9. FRAUD AND WHISTLEBLOWING

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

It was confirmed that there were no new incidences to report.

ii. WHISTLEBLOWING POLICY

The Whistleblowing Policy had been reviewed on recommendation by the Finance Committee as part of the ARC's responsibility to oversee the corporation's policies on and processes around fraud, irregularity, impropriety and whistleblowing.

It was confirmed that the policy contained adequate sections on disclosure to external bodies and vexatious complaints.

RESOLVED: That the Whistleblowing Policy was APPROVED.

iii. DRAFT COUNTER FRAUD STRATEGY

A draft Counter Fraud Strategy was presented by the Governance Consultant. This would expand the current fraud response plan to focus on the prevention of fraud, the individual responsibilities of college staff, training and risk assessment. The cornerstone of the Strategy was to create an 'anti-fraud culture within the college. It was suggested that the ESFA checklist provided would form the basis of an assessment and action plan

The Committee discussed the importance of the cultural element of such a strategy, incorporating fraud and cyber security into annual staff training. In addition, the increasing prevalence of bank mandate fraud was noted, and the College would need to remain alert to this particularly in light of the forthcoming change in leadership.

The Internal Auditors would provide a free resource to help develop the final version for approval at the October meeting.

ACTIONS:

- ***Send draft Counter Fraud Strategy to TIAA for review (Governance Consultant)***
- ***Submit Counter Fraud Strategy to October ARC meeting for approval (Governance Consultant)***

10. REVIEW OF AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

The ToR had been updated to reflect the Committee's new name and changes to the structure of the governance team. Further updates would be required to accommodate the latest changes to the ACOP. This work would be carried out in time for the next meeting in October so that a review of committee effectiveness against the ToR could be incorporated.

RESOLVED:

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

ACTION:

Undertake a further review of the ToR to incorporate ACOP amendments (Governance Team)

11. COMMITTEE DATES FOR 2021/22

The Committee dates for 2021/22 were noted and diary appointments would be sent out over the summer.

12. OTHER BUSINESS

No items of urgent other business were reported.

13. DATE OF NEXT MEETING

The next meeting was scheduled for Tuesday 5 October 2021 at 3.30pm.

Signature of Chair.....  Date.....5/10/21.....