



Minutes of the Audit and Risk Committee meeting held on

**Thursday 7 March 2024 at 10am
at the St Austell campus and on Teams**

Committee members present

Jonathan Mashen	JM	Committee Chair
Perry Baker	PB	
Michael Hambly	MH	
Ellen Winser	EW	

In Attendance

Tian Bersey	TB	Clerk to the Governors
Mathew Davies	MD	Finance Controller
John Evans	JE	Principal & CE
Adrian Ford	AF	Group Deputy Principal Group Operations (DP GO)
Adam George	AG	RSM (Internal Auditors)
Steve Cant	SC	Head of IT Services
Mark Wright	MR	Deputy Head of Estates for item 9

		Action
1	<p>WELCOME, APOLOGIES AND DECLARATION OF INTERESTS There were no apologies and no further interests declared.</p> <p>The Chair welcomed Shirley Collier to the meeting as an Observer and as part of the External Board Review.</p>	
2	<p>MINUTES AND MATTERS ARISING</p> <p>3.1 Minutes The minutes of the meeting held on 29 November 2023 were agreed to be an accurate reflection of the meeting and were approved by the Committee.</p> <p>2.2 Matters arising The Committee reviewed the matters arising distributed prior to the meeting and noted the updates.</p>	
3	<p>INTERNAL AUDIT</p> <p>3.1 Internal Audit Benchmarking report 2022/23 RSM presented the Internal Audit Benchmarking report which offered a high level comparison with other FE Colleges in their client base. The committee noted the caveats including that the College uses internal audits to explore particular issues or areas identified for improvement.</p> <p>3.2 Update on the 2023/24 Internal Audit plan RSM presented an Internal Audit Progress Report which was not previously circulated but is available for committee members on Teams. Two reports will be presented at this meeting, the fieldwork is nearing completion for the audit of Budget Management and Monitoring Arrangements and the two final audits will commence in April.</p> <p>The Progress Report also contains reports on:</p> <ul style="list-style-type: none"> ▪ emerging risk considerations gathered through a survey of RSM's whole client base 	

<p>3.3</p>	<ul style="list-style-type: none"> ▪ Common Issues from the Funding Assurance Reviews ▪ Outcomes from internal audit reviews on protecting students from harassment and sexual misconduct across providers of higher education <p>RSM are happy to take any questions regarding the additional reports via email.</p> <p>Internal Audit reports</p> <ul style="list-style-type: none"> • Marketing <p>The internal audit of the Marketing and Schools Liaison Processes concluded an opinion of substantial assurance. Three management actions were identified, a medium priority action as listed below and two low priority actions.</p> <ul style="list-style-type: none"> ▪ A reporting cycle and framework should be created to regularly update the Executive Leadership Team and Board on marketing activities, budget management and contribution to the College (medium priority). <p>Two examples of good practice were also highlighted:</p> <ul style="list-style-type: none"> ▪ Providing QR codes on each campus page to provide prospective students with a virtual tour of each location. ▪ Use of Monday.com to streamline departmental working procedures, provide project management support and increase collaboration within the Marketing team. <p>The Committee discussed how to most effectively report to the Board on marketing activities and asked the DPGO to propose when reports should come to the Board going forward.</p> <ul style="list-style-type: none"> • Transport <p>The internal audit of the Transport Utilisation Framework was requested to add value and a deep dive as responsibility for the Fleet had recently passed to the Deputy Head of Estates and a new Fleet Manager was appointed. A partial assurance opinion was issued with nine management actions of which the high and medium priority actions are summarised below.</p> <ul style="list-style-type: none"> ▪ Policies and procedures relating to fleet management and transport utilisation will be reviewed to ensure they reflect current practices and systems and any updates will be approved as appropriate (medium priority). ▪ The Key2 system will be fully implemented (high priority). ▪ The Fleet Coordinator will fully complete the audit of all vehicles held across the College (medium priority). ▪ Records and communications relating to vehicle MOTs, services, and tax will be held in a central location (medium priority). ▪ Ahead of, and until, the full implementation of Key2, MiDAS and licence checks will be completed for drivers upon booking a vehicle at all campuses across the College (high priority). ▪ The driver vehicle checklists, and weekly and monthly vehicle checks will be completed and reported back to the Fleet team, to enable the identification and reporting of any defects to be addressed (high priority). ▪ A documented reconciliation between fleet vehicles and vehicles insured by the College will be retained each year (medium priority). <p>There were a further two low priority actions.</p> <p>The DPGO reported that the College was aware of most of the points raised but gained some useful additional points. Actions are being implemented. The Transport Coordinator has made a positive impact.</p> <p>The Financial Controller reported that the Key2 system has been fully implemented; from 31 March 2024 staff will not be able to drive a vehicle if they are not on the system; an app called</p>	<p>AF</p>
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<p>3.4</p>	<p>Gaama is being used to enable vehicle inspections to be completed on a mobile phone; a reconciliation is in progress as the insurance policy is being renewed; Insight (intranet) is being used to remind all staff of requirements.</p> <p>The Committee discussed Midas renewals every four years; vehicle checklists and the feedback mechanism to the Transport Coordinator; guidance for not travelling and for removing vehicles from service.</p> <p>Initial thoughts on the Internal Audit plan 2024/25</p> <p>The Committee discussed options including: capital and estates; data protection; policy management; HE curriculum; golf; bursaries; application processes to ensure conversion; SEND provision and the high needs attainment gap; learner voice within the different funding streams and the impact of learner voice; follow up to procurement; cyber security and penetration testing; Concorde.</p> <p>RSM highlighted that the learner journey from application to enrolment and attendance management and interventions are popular audits within the sector currently.</p> <p>The Committee discussed attendance further, problems being experienced nationally post Covid, preparing learners for work, targets set and actions undertaken to chase absence.</p> <p>The Principal advocated for areas where an audit can add value and impact improvement.</p> <p>It was agreed that the Chair will ask the Chairs of other Committees for their feedback and revert to the DPGO.</p>	<p>JM</p>
<p>4</p> <p>4.1</p> <p>4.2</p>	<p>STANDING AGENDA ITEMS</p> <p>Rolling review of high and medium Audit recommendations from previous Audits</p> <p>The Committee noted the progress in actioning the recommendations from previous audits.</p> <p>The Financial Controller reported that the actions from the Subcontracting Assessment had not been added to this document because the compliant/non compliant assessments did not align with actions from internal audits and no formal feedback has been issued to date. As soon as the formal report is received it will be shared with the Committee. The actions needed following the assessment have all been implemented.</p> <p>Actions from the internal audits on marketing and transport will be added to the document for the next meeting.</p> <p>RSM will formally report on progress against actions from previous audits at the next meeting.</p> <p>A Committee member noted the delay and new dates for completion of actions relating to cyber security training.</p> <p>Board Assurance Framework</p> <p>The Committee noted the updates in the Board Assurance Framework and in particular that the Office for Students' financial regulations had been updated and that an internal audit of the IT strategy was due to commence.</p> <p>The Chair noted that the internal audit of marketing gives high assurance and congratulated the College on all staff having completed level 1 training on mental health awareness.</p>	<p>MD</p> <p>AF</p>

<p>4.3</p>	<p>Risk Register</p> <p>The Group Deputy Principal Group Operations presented the updated format of the risk register:</p> <ul style="list-style-type: none"> ▪ Risk appetite has been added. Definitions for each appetite have been added to the key. A future discussion will look at the number of risks scored with a minimal appetite and the need to open up the risk appetite in some areas. ▪ Items for attention have been highlighted as have new risks that have been added. ▪ Target dates have been added and when a target has been achieved, the risk will be removed from the register. The exception to this will be safeguarding. <p>The Committee welcomed the new format and congratulated the DPGO on progress made. The Chair welcomed the additions to the register, and in particular the addition of target dates, which all make the register a more active document.</p> <p>The DPGO reported on the following risks in the register:</p> <ul style="list-style-type: none"> ▪ High Needs attainment gap – growth will give an additional 700k in revenue but achievements will be lower. ▪ Progress has been made in English and Maths achievement but not yet at target. ▪ Foundation Degree Awarding Powers has been added, revalidation application has been made but there is a delay in the process and the licence has been extended in the interim. Have also applied for Degree Awarding Powers. ▪ International Students admissions has been added, internal staff will manage the process and must not risk tier 4 licence. ▪ Funding reforms has been added, some qualifications will be defunded and there is no visibility on new qualifications. The Committee discussed how the College is engaging with stakeholders to raise concerns. ▪ Devolution of the adult skills budget has been added and includes cross boundary complications for the College. The College is engaging in the process. ▪ Staff retention has decreased due to the pay award, introduction of an AI tool to support reduction in workload and suitable CPD being offered. ▪ Student numbers are showing growth in 16-18, HE numbers are levelling out and a decrease in apprenticeships which is being tackled. ▪ Due to payment in arrears for capital projects, Cashflow is being monitored very tightly supported by good visibility and forecasting. There may be times when some projects are delayed. The Committee discussed capital funding. ▪ College Estates and Resources has increased, the delays in the new build at St Austell are impacting the ability and costs of keeping the current building operational. The Committee discussed the issues in more detail. 	<p>AF</p>
<p>4.4</p>	<p>Whistleblowing update</p> <p>The Clerk reported no incidences of whistleblowing. The Whistleblowing Policy has been updated with a change of contact details from the Director of Governance to the Clerk to Governors.</p>	
<p>5</p>	<p>EXTERNAL AUDIT UPDATE</p> <p>The Financial Controller reported that planning for the external audit is in progress with Bishop Fleming.</p>	
<p>6</p>	<p>TENDER PROCESS FOR EXTERNAL AUDITORS</p> <p>The Committee noted that the tender process for external auditors will now be initiated in January 2025.</p>	

<p>7 7.1 7.2</p>	<p>IT</p> <p>Update on new procurement IT system The Financial Controller reported that the Procurement Manager is looking to identify a new system following the Company owning the previous system going bankrupt. The Committee received a demonstration of the interim inhouse portal which has been created and which provides everything that would have sat on a system and is available for all. The Financial Controller reported that significant progress has been against actions:</p> <ul style="list-style-type: none"> ▪ a contracts register has been implemented ▪ financial regulations have been updated ▪ procurement policies and procedures are available on the intranet ▪ appropriate managers understand how to use the interim portal and ▪ the Procurement Manager meets at least monthly with the Head and Deputy Head of Estates and the Head of Projects and Partnerships as the key internal stakeholders. <p>Cyber security plans – frequency of updates and reporting of cyber incidents The Committee welcomed the Head of IT Services to the meeting and he presented reports on the College’s Cyber Security Position and Cyber Security Planning highlighting:</p> <ul style="list-style-type: none"> ▪ the layered planning framework ▪ work with key agencies such as JISC ▪ the adoption of best practice patch management ▪ the use of kite marked vulnerability scanning tools ▪ mandatory staff training has been effective with fewer incidents recorded ▪ positive outcomes from the cyber attack simulation used to test the Business Continuity Plan last summer <p>The Committee reviewed the list of cyber incidents in the current academic year and the summary of IT controls and plans for the current and medium term. An IT strategy and an investment plan are under development.</p> <p>Committee members:</p> <ul style="list-style-type: none"> ▪ noted plans to deploy data loss prevention tools in Microsoft 365 to key personnel and asked if any tooling was currently in place. This is currently being explored. ▪ asked about the prevention of ransomware attacks. Every member of staff completes mandatory cyber security training on joining the college and this is repeated every two years. Termly and half termly login notices are in place. ▪ asked about plans to control, regenerate systems and retain data. The procedures for backing up and protecting data were explained. ▪ noted close engagement with JISC and asked if problems affecting JISC could also present problems for the College. A recent attack on JISC did not present any challenge for the College. <p>The Committee agreed that the Head of IT Services would report to every meeting going forward. The Committee thanked the Head of IT Services for his comprehensive reports.</p>	
<p>8</p>	<p>HEALTH AND SAFETY REPORT to include</p> <ul style="list-style-type: none"> ▪ Update on action plan and KPIs ▪ Health & Safety Policy <p>The Deputy Head of Estates joined the meeting to update the Committee on the action plan presented at the previous meeting. A new Team member is in post who has a high presence around sites and has engaged willing helpers across the sites. Progress has been made in recruiting and training fire marshals and first aiders. Workplace safety inspections have been rolled out using the Assure system app. A staff campaign was launched to engage all members of staff in reporting hazards. A positive culture is being developed. All incident investigations are now operating under the same system and routine. Near misses can be reviewed.</p>	

	<p>Comprehensive data will support the creation of KPIs and it is planned to review and report by exception.</p> <p>The Health and Safety Policy has been revised and once the necessary elements from the Internal Audit report on transport have been incorporated it will be submitted to the Executive Leadership Team for approval. A number of related policies are due for review and this is in progress.</p> <p>It was agreed that the Health and Safety Policy would be reviewed at the next Committee meeting. The Committee thanked the Deputy Head of Estates for the update.</p>	MWr
<p>9</p> <p>9.1</p> <p>9.2</p>	<p>POLICY MANAGEMENT</p> <p>▪ Update on Policy Management</p> <p>The Head of Regulatory Compliance joined the meeting and updated the Committee on Policy Management processes.</p> <p>All College policies are now saved in a central repository and available through sharepoint and document finder on the intranet. All policies that need to be publicly available can be found on the website. The Eversheds’ Guide to Policies and Codes for Further Education Colleges is used to support work, an updated guide is expected in September 2024. Policies are being reviewed through the Executive Leadership Team and amalgamated where possible and appropriate to reduce the number. A draft procedure for policy review is in use. Appropriate policies will go to Committee and Board for approval. There has been little impact assessment on policies to date and a new system using a Microsoft forms survey relating to impact, data protection, safeguarding and EDI is being implemented.</p> <p>The Committee members asked:</p> <ul style="list-style-type: none"> ▪ if there was a target number of policies. There is no target due to the complex demands of the group. ▪ if there are any areas of concern and how does the College keep on top of the number of policies and regulations. Guidance from Eversheds and other organisations is important. ▪ with so many policies how does the College ensure that staff are aware. All policies are published on the intranet with an effective search function. Each area of operation informs on the key policies relating to that area. There is an established culture of knowing boundaries and consulting relevant policies. <p>The Chair also asked a question in relation to data protection and where data is stored. The Head of Regulatory Compliance reported that asset registers are in place and data owners are reviewing the registers and confirming where data is stored. Some data storage has moved to Pro Solution.</p> <p>▪ Governor Privacy Policy</p> <p>The Committee reviewed and approved the Governor Privacy Notice.</p> <p>The Committee thanked the Head of Regulatory Compliance for the update.</p>	
<p>10</p>	<p>ANNUAL REVIEW OF MEMBER INTERESTS</p> <p>The Committee reviewed declared interests and noted the following amendments:</p> <ul style="list-style-type: none"> ▪ JM is now retired. ▪ EW has declared that she is a member of Truro and Penwith Academy Trust and this is missing. ▪ MH indicated that the NFU South West Crops Board is now the South Crops Board. <p>The register of members’ interest will be update accordingly.</p>	TB

Approved minutes

11	ITEMS TO BE SHARED WITH COMMITTEES/ BOARD <ul style="list-style-type: none">▪ Internal Audit Reports and the need to agree how often the Board (or designated Committee) will review marketing▪ Risk Register▪ Board Assurance Framework▪ JM will contact Committee Chairs re the Internal Audit Plan for 2024/25	
12	DATE OF NEXT MEETING 26 June 2024, St Austell/ Teams EW and MH gave their apologies for 26 June.	
	PRIVATE MEETING OF COMMITTEE WITH AUDITORS The Principal, DPGO and Financial Controller left the meeting. RSM reported that the internal audits are progressing well and that there has been a good response from the executive. RSM mentioned that MD can be slow in responding to some emails but everything is on track for completion by the end of the academic year. A Committee member commended the executive for being transparent at the beginning of the Transport audit.	