

## THE COLLEGE OF RICHARD COLLYER

### MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON Wednesday 23 November 2022 at 16.00

- Present: Mrs Sarah Ediss, Mr Karl Banister (via Zoom), Mrs Susan Martineau, Mr Dom Valente
- In attendance: Members of SMT - Mr Ian Dumbleton (FD), Mr Dan Lodge (Principal), Mr Steve Martell (DP), Ms Andrea John (VP Pastoral) (Item 5 only)
- Mrs Russha Sellings (Clerk)
- External - Mr Chris Rising (MHA MacIntyre Hudson), Ms Shachi Blakemore (Buzzacott) to Item 8
- In the Chair: Mr Dom Valente

#### 1. Chair Introductions & Apologies for Absence

The Chair opened the meeting, his first officially in post. Mr Rising and Ms Blakemore were welcomed and would depart the meeting after Item 8. There were no apologies. Mr Banister joined the meeting via Zoom.

#### 2. Declarations of Interest

None declared with respect of the agenda items.

#### 3. Minutes of the meeting 22 June 2022

The minutes of the previous meeting including Part II a&b were approved without amendment.

#### 4. Matters Arising

Item 5: Governor training plans – the Clerk gave an update on the response to the College accounts direction 2022, to demonstrate a development plan for Governors (and the Clerk) and report on this in the next Report & Financial statements. Individual plans utilising the Governance Development Programme via FutureLearn had been drawn up and circulated and there were opportunities for further development targeted to specific members such as SFCA and AoC webinars. The Clerk was aware there had been some transition issues highlighted with the FutureLearn platform that were being addressed and had also discussed by the Nominations Committee.

Item 8: Fraud Report update and cyber security staff training – members heard from the Principal that the staff training was in hand with an initial session provided at the recent College Planning Day.

RMG action: Risk Management & Assurance Policy – in reference to the recent work undertaken by the RMG, members agreed with the recommendation of an annual review from Spring term.

#### 5. Internal Audit / Board Assurance:

*Papers: Annual MHA summary report 21-22, MHA IT Security Report and Collyer's IT Action Plan, MHA Internal Assurance Plan 22-23 inc Estates Management, Gatsby Benchmark Report: Careers*

It was agreed to bring Item 5d forward on the agenda to allow the VP (Pastoral) to provide an update and depart the meeting early.

- a) Gatsby Benchmark Report: Careers

A Careers & Enterprise advisor formed a focus group of staff and students as part of the review and the findings were laid out on pages 2-3 of the report. SMT were satisfied that the development opportunities cited in the report were all underway including enhancing the visibility of the careers programme within Collyer's 360 and the appointment of the College skills lead. A member asked if it was possible to track access of the online resources to ensure engagement. The VP (Pastoral) agreed that would be useful and added more would also be built into the tutorial programme to promote the opportunities and access to resources which had also been extended to parents.

The VP (Pastoral) informed members the report provided a similar level of external assurance to that of an EQR on benchmarking and compliance with a qualitative approach. There would be a full EQR of the whole programme in the Spring term. Mr Banister, the Governor linked to careers, would be able to triangulate progression through monitoring of the SAR-QIP.

[16.17 – the VP Pastoral was thanked for the positive report and departed the meeting]

b) Annual MHA summary report 21-22

Mr Rising provided members with some commentary on the annual report and progress of recommendations made. The overall audit opinion was positive. It was reassuring to note the constructive dialogue with the College during the reviews and active response to improving the control framework; of significance was the action plan in place for IT.

It was recorded that MHA had provided an updated version of the report with a correction to page 6 and the table in section 4.3, where the audit assessment for IT should be 'adequate' as opposed to 'substantial'. Following questions from members on the benchmarking data and number of reviews per year in section 5.1, Mr Rising took an action to revisit the figures and also provide some narrative including for section 5.3 where this could be enhanced to show the swift action on the high priority area. **(Action: Mr Rising)**

c) Status of recommendations from MHA – *IT Security Report and Action Plan*

Members observed the number of recommendations completed and requested the action plan include details of timeframe, implementation dates and progress against completion. **(Action: DP)**

Members had previously commented on the necessity of frequent password changes and Mr Rising concurred that it was more important to ensure appropriate length and complexity of passwords. Security was enhanced since the College operated a system of 2 tier MFA.

There was a wider discussion on the expertise of the IT team and the recruitment plan to build capacity to be able to address all the findings in the audit. The Principal added that the College were investing in the team to secure more senior staff and the DP confirmed the recent appointment of a new Senior IT Network Engineer.

d) Internal Assurance Plan 22-23 to include Estates Management

Members queried whether there were sufficient resources allocated to the internal assurance programme. When documenting the strategy plan, Mr Rising considered the scope of the reviews with some being more in-depth than others and also the strong control framework that was already established. The Chair stated the scope of the 5 year plan was reasonable and should be flexible to the needs of the College and could adapt over time, furthermore, there were additional opportunities for third level assurance.

Following discussion with SMT and the Chair of the Estates Sub-Committee, it was recommended to include an additional review of Estates Management in recognition of the risks and the importance to the College Strategy Plan.

It was noted that the ILR was reviewed periodically in line with recommended good practice; the Principal also confirmed the College was randomly selected by the ESFA for a routine ILR audit

and took comfort in the interim since the last review from this thorough inspection with no findings to action.

Mr Rising continued that the internal assurance reviews on financial and budgetary controls and the ILR could be shared with the external auditors in order to maximise the approach to assurance.

The Committee were presented with and accepted the audit charter as presented by Mr Rising.

**Recommendation: The Governing Body approve the addition of the Estates Management review in the internal assurance programme for the academic year.**

## **6. Risk Management Update**

*Papers: RMG minutes 17 Oct 2022, Potential External Risks, College-wide Risks*

### a) \*RMG minutes of 17 Oct 2022

The minutes record the adjustment to the timings in drafting the individual risk registers to coincide with the SAR-QIP cycle at the start of the academic year.

### b) Potential External Risks

Mr Rising agreed it was good practice to consider risks outside the College's control and questioned whether the College was comfortable with the assessment of IT risks (M.1) in the College Risk Register given the external threat to the sector. The Principal advised the original high score had arisen from an IT failure on the first day of enrolment. There was also an overlap between MIS and IT and it was important to delineate the responsibility levels in future iterations of the Risk Register. The Principal would discuss with the DP and give further consideration to the risks associated with cyber security. **(Action: Principal)**

Members discussed the controls around industrial action and what might be done to mitigate risks on staff wellbeing. The Principal stated that the culture within the College was transparent with good communication and staff fully invested. An FAQ document had been prepared and circulated with the latest newsletter to Governors for awareness. Only a small number of staff had confirmed their intention to strike and individual groups of students impacted would be contacted. The Risk Register entry related to staff morale in the current financial climate, and industrial action was directed to the Government as opposed the College. The Chair reiterated similar anxieties expressed at a recent AoC Finance & Audit Chairs' forum.

### c) College-wide Risks

Discussed under the previous agenda item.

## **7. Financial Statements Audit:**

*Papers: Draft Audit Findings Report inc. Letter of representation, Report and Financial Statements for the year ended 31 July 2022*

### i) Draft Audit Findings Report inc. Letter of representation

Ms Blakemore gave an update on the first external audit undertaken by Buzzacott, which in the first year included a systems audit. The College were well prepared, and Ms Blakemore expressed her thanks to the FD and his team for the smooth process.

The post audit findings report highlighted the sector wide requirement to recalculate holiday pay for TTO staff specific to the Harpur v Brazel case and it was confirmed the HR Director had correspondence with the auditors to confirm the limited liability and controls in place to mitigate any future risks.

A member sought assurance there were no further outstanding items for the auditor to complete before approval. Ms Blakemore confirmed an ESFA response was expected on a routine check shortly.

The Chair wished to thank Buzzacott for the work undertaken in the first year of external audit, the positive working relationship established and the value-added benchmarking data.

**Recommendation: The Governing Body approve the post audit findings report and Letter of Representation for signing.**

ii) Report and Financial Statements for the year ended 31 July 2022

Ms Blakemore alerted members to the differences in treatment of pension liability (page 4). There was a discussion on the policy for reserves and the judgement on financial health including payroll as a percentage of income. Ms Blakemore advised it would be prudent to consider a reserves policy in future once the College had undertaken the majority of the planned estate developments, in the meantime Ms Blakemore suggested the free reserves narrative on page 5 of the report be expanded.

Ms Blakemore intended to share some updates to be made to the Report & Financial Statements prior to the presentation and approval by the Governing Body. The Clerk highlighted the consensus of the Nominations Committee, which included the Audit Committee Chair to adjust the Governing Body performance in the Statement of Corporate Governance to 2 'Good'. Any minor amends noted by members to also be made. **(Action: Ms Blakemore/FD/Clerk)**

**Recommendation: The Governing Body approve the Report and Financial Statements, subject to amends.**

## **8. Audit Committee Annual Report to the Governing Body 2021-22**

*Papers: Audit Committee Annual Report to the Governing Body 2021-22*

The Chair invited comments on the report. The Clerk said this was shorter due to the risks of Covid lessening over time. Reference had been made to DfE good practice guidance on drafting the annual report. There were no further comments.

**Recommendation: The Governing Body approve the Audit Committee annual report.**

[17.24 Mr Rising and Ms Blakemore were thanked for their contributions and left the meeting]

## **9. External Review of Governance**

*Papers: External Review of Governance options and timetable*

The Clerk gave an update following review at the Nominations Committee the previous week. One option had been discounted and some further work was required on the remainder. There were no further comments.

**Recommendation: The Governing Body approve the timetable for the review.**

## **10. Retendering internal audit services**

It was confirmed the requirement to retender every 5 years related to external auditors only. The FD said that as MHA had provided services since 2015, it was good practice to retender. Members would be happy to participate in the process to take place in the Spring term. **(Action: Clerk)**

## **11. AOB**

Nothing to record.

## **10. Meeting Assessment**

It was noted hybrid meetings were not always effective in terms of enabling contribution.

## **11. Date of Next Meeting**

The meeting would take place on 15 March 2023 at 08.00 via Zoom.

*The meeting closed at 17.35*

Chair.....

Date.....

RRS 28-11-22