

## Audit Committee Minutes

Meeting held on Thursday 11<sup>th</sup> March 2021 at 5.30 pm, via Zoom

**Governors:** Stuart Blackett, Subhash Chaudhary, Richard Poundford (Chair) and Norma Wilburn (Safeguarding Link governor)

**Apologies:** No apologies for absence from committee members

**In attendance:** Wayne Brown (Head of Education Services, AuditOne) and Claire Leece (Audit Partner, RSM)

**Officials:** Phil Cook (Chief Executive Officer and Group Principal), Phil Hastie (Group Executive Director Planning and Infrastructure), Fiona Sharp (Group Executive Director Finance), Kay Taylor (Group Director of HR), Sarah Thompson (Clerk) and Sam Young (Governance Support Officer)

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*The Chair welcomed everyone to the meeting and explained that the College Principal Bede had been unable to attend due to a prior commitment but that any specific comments or questions on the Remote Learning Safeguarding audit could be passed on. He sent congratulations to Rosalind Armstrong (AuditOne) who had recently gone on maternity leave.*

### **A21/1 Audit Plan Summary**

The Group Executive Director Finance highlighted that the Use of Funds internal audit had been deferred with the agreement of the Chair of the committee. Members **noted** progress as detailed on the Audit Plan Summary 2020-21.

### **A21/2 Agenda Item 1 - Standing Invitation to auditors to speak with committee members**

The Chair confirmed that the auditors had not raised any concerns with him since the last meeting and the internal and external auditors added that they had no issues to raise with committee members and would address agenda items as appropriate.

### **A21/3 Agenda Item 2 – Minutes of previous meetings**

The minutes of the meetings of the Audit Committee and joint Audit and Finance and Employment Committees held on 26 November 2020 were **agreed** as accurate records.

The Group Executive Director Finance confirmed that a document mapping areas of strategic fraud risk against RSM's key areas for consideration would be presented to the next meeting. The Clerk explained that the Group Web & Compliance Manager would be setting up governor accounts for the National Cyber Security Centre (NCSC) training on phishing and details would be made available to all governors. All actions from the joint meeting held in November 2020 had been completed; the Group Executive Director Finance explained that the Emerging Issues appendix was no longer routinely produced by RSM and it was agreed that the action regarding contextualisation was therefore not required. Progress against actions was **noted**.

**A21/4      Agenda Item 3 – Notification of Items of Other Business**

There were no items of other business notified.

**A21/5      Agenda Item 4 – Outstanding Actions Status Report**

The Group Executive Director Finance confirmed the status of outstanding actions; the one remaining action from the Cyber Security internal audit had been completed as detailed in Appendix A and there were no further outstanding actions.

Members **noted** the status report.

**A21/6      Agenda Item 5 - Internal Audit Reports**

AuditOne’s Internal Progress Report, issued 4 March 2021, had been circulated and Wayne Brown, Head of Education Services (AuditOne), confirmed that two internal audits, Remote Learning Safeguarding and Attendance, had been finalised, with the draft report for a third, Eligibility Testing, in review stage. Planning for the Use of Funds audit was underway.

**5.1 – Remote Learning Safeguarding**

The final audit report had been issued and circulated to members and the Head of Education Services confirmed that this audit had provided substantial assurance, with no formal recommendations raised. At the time the audit commenced, an out-of-date version of the Safeguarding Policy and supporting appendices was published on the Group websites but these were updated during the course of the audit and therefore no formal recommendation was required. Several areas of good practice had been identified and the report highlighted that the Group took a proactive approach to identifying potential safeguarding concerns and responded well to emerging risks.

The Safeguarding Link governor commented on how pleased she had been with the audit findings. A member asked if AuditOne had been given full support by staff and the Head of Education Services confirmed that engagement from all staff during both audits had been positive, with staff proactively seeking to get the most out of the audit process. The Chair reminded members of governors’ statutory duty for Safeguarding.

**5.2 – Attendance**

The final audit report had been issued and circulated to members and the Head of Education Services confirmed that this audit had also provided substantial assurance and that no formal recommendations had been raised; two suggestions for improvement had been made. The report suggested that the weekly Unmarked Register report should flag recurring registers that remained outstanding for one month or more and that Teaching and Training Reviews should be extended to verify the accuracy of the completed register against the number of learners observed as present as an independent source of assurance. Good practice had been identified including a clear Registers and Attendance Policy, a strong and timely attendance reporting framework and regular monitoring of attendance through the Teaching and Training sub-group.

### 5.3 – Eligibility

The Head of Education Services confirmed that the audit had been completed and that some non-material issues were currently under review before the draft report could be issued; the final report would be available for the next meeting.

Members **noted** internal audit progress for 2020-21 and final reports for the Remote Learning Safeguarding and Attendance internal audits.

### Agenda Item 6 – Risk Management

A21/7

#### 6.1 – Etc. Strategic Risk Register 2020-21

Key updates had been highlighted in the previously circulated report and the Group Executive Director Finance outlined the addition of a new risk relating to the Single Central Record (SCR) to reflect the high staffing turnover currently being experienced in the Human Resources (HR) team. She added that controls were in place and there were no immediate concerns; a full review of the HR team had been undertaken and permanent staffing would be in place by the end of March in order to mitigate the risk and reduce the risk level in line with the risk appetite. Members **agreed** to retire the risk relating to the new websites following their successful launch.

A member explained that, as he had recently been given responsibility for operational risk in his own organisation, he had been considering the extent to which risks could and should be mitigated to align with the defined risk appetite. For example, if the net risk score remained higher than the defined risk appetite following mitigating actions, the risk register could detail further actions or acknowledge that the risk could be tolerated given the resource implications of further mitigation. The Group Executive Director Finance commented that risk appetite was a relatively new addition to the Strategic Risk Register and there were areas where the level of risk appetite originally assigned could be wrong or where the risk register did not give enough detail of further actions; she added that it could be appropriate for the Risk Management Group (RMG) to reconsider and refine risk appetite levels. A member commented that, given the risk register should be a dynamic document, risks considered significant could be reviewed more often than those with lower risk levels. The Head of Education Services added that such discussions were important for maintaining a working risk register and that it was useful to periodically review risk appetite. He added that cyber security, for example, was a significant growth risk and that, having reduced the net risk to medium, further actions could then be considered to reduce it to the risk appetite level or consideration given to whether the net risk level could be tolerated.

Following discussion of risk culture and risk appetite, it was **agreed** that risk appetite could be portrayed using a colour banding system rather than as a specific score. Members also agreed that the strategic risk register was an informative and concrete tool but that its greatest value was the regular review by the Risk Management Group, particularly post Business Planning and Performance Review cycles. A member summarised risk culture as the creation of an open place of work in which staff took personal responsibility for risk and were comfortable to share concerns.

Members **noted** the progress of risk monitoring for 2020-21 for the Education Training Collective.

**A21/8 6.2 – COVID-19 Risk Register 2020-21**

The Group Executive Director Planning and Infrastructure referred members to his previously circulated report which summarised key changes to the COVID-19 Risk Assessment and Action Plan and Risk Register since the committee's last meeting. It would continue to be reviewed and updated by the Senior Management Team (SMT). He outlined progress on the introduction of Lateral Flow Testing for staff and students, including the use of DBS cleared agency staff to augment trained Etc. staff volunteers in order to test all students on the phased return to site from 8 March. Home test kits were already available to staff and this would be extended to learners the following week. In line with government guidance, the wearing of face coverings was now required in all areas, including classrooms, where social distancing could not be maintained. The Group Executive Director Planning and Infrastructure noted that compliance from students was currently higher than before the January lockdown. The Chief Executive, having recently visited all sites with the exception of Bede, agreed that there had been few issues on the return to site and added that the Group Executive Director Planning and Infrastructure had established a solid accountability framework in response to COVID-19 from which departments and sites could make independent decisions to fit circumstances. He added that, in terms of financial pressures, only two departments had been identified as of concern at Performance Review 6.

Members **noted** the update and COVID-19 Risk Register.

**A21/9 Agenda Item 7 – Fraud and Regularity Update**

The Group Executive Director Finance confirmed that there had been no fraud and regularity issues. Members **noted** the update.

**A21/10 Agenda Item 8 – Any other business**

There were no items of additional business.

**A21/11 Agenda Item 9 – Approval of Documents for Public Inspection**

It was **agreed** that the agenda and approved minutes would be made available for public inspection. Supporting documents were all deemed confidential for reasons of commerciality.

**A21/12 Agenda Item 10 – Date and time of the next meeting**

Thursday 27 May 2021, 5.30 pm, to be held remotely

**A21/13 Agenda Item 11 – Key Themes**

The following items were identified as 'Key Themes'

- Outstanding actions status reported with all audit recommendations completed
- Remote Learning Safeguarding and Attendance final audit reports considered; both provided substantial assurance with no formal recommendations

- Review of Etc. Strategic Risk Register and COVID-19 Risk Register, including a detailed discussion of risk culture and risk appetite
- Confirmed no fraud or regularity concerns

*The meeting ended at 6.20 pm.*

**Approved at a remote meeting held on 27 May 2021**