

AUDIT AND RISK COMMITTEE MEETING

**CONFIRMED MINUTES OF THE MEETING HELD ON 24 SEPTEMBER 2024, AT 09:00AM,
HELD AT CITY COLLEGE NORWICH, THETFORD BOARDROOM**

Present:

Philip Pearce	PP	Chair
Jerry White	JW	Principal
Marcus Bailey	MB	Governor (<i>remotely via Teams from 9.43am</i>)
Nikki Gray	NG	Governor

Attendees:

Jodie Mitchell	JM	Director of Governance and Legal
Karen McIntosh	KMc	Finance Manager
Martin Colbourne	MC	Deputy CEO
Leisyen Cox	LC	Internal Auditor
		Scrutton Bland (<i>remotely via Teams</i>)
Paul Goddard	PG	Internal Auditor
		Scrutton Bland (<i>remotely via Teams</i>)
Stuart McKay	SMk	External Auditor
		MacIntyre Hudson (<i>remotely via Teams</i>)

Apologies:

Phil Gormley	PG	Governor
Sean Green	SG	Governor

1. **CONFIDENTIAL – Governor Meeting with Auditors**

The discussion was confidential and was not recorded.

2. **Apologies for Absence**

Apologies were received and noted as above.

The Chair stated that the Committee is not quorate but that the meeting is going ahead under the guidance from JM, Director of Governance and Legal. He stated that there will be no requirements for a formal decision and that all attendees have agreed to proceed. Marcus Bailey is due to join the meeting via Teams at approximately 9:30am, so the Committee will then be quorate for any formal decisions.

3. **Declarations of Conflicts**

No declarations of conflict were made.

4. **Unconfirmed Minutes of the Meeting held on 4 June 2024**

The unconfirmed minutes of the meeting held on 4 June 2024 were agreed as a true record of the meeting and will be signed by the Chair at the next available opportunity. JM confirmed that the Chair of that meeting, Andrea Blanchflower, had checked and agreed the minutes.

5. **Unconfirmed Confidential Minutes of the Meeting held on 4 June 2024**

The unconfirmed confidential minutes of the meeting held on 4 June 2024 were agreed as a true record of the meeting and will be signed by the Chair at the next available opportunity.

6. **Matters Arising**

23/24 Audit 3 Action 4: JW to update the timeline in the 'Governance and Risk Roadmap' document for the meeting on 4 June 2024 (Due **June 2024**). *JW reported that this has been included in the strategic risk register review under item 7. **ACTION CLOSED***

23/24 Audit 3 Action 7: Policy Schedule to be reviewed and updated by SMT (Due **June 2024**). *JM reported that the Senior Management Team (SMT) members have been informed by JW that there will be designated time to look at policies to ensure they are tracked appropriately, and review dates are met. It was confirmed that this is on the agenda for the next Operational SMT meeting.* **ACTION CLOSED**

23/24 Audit 5 Action 3: The Internal Auditors to review Human Resources' final report and the management process of staff sickness due to risk of fraud, reconsider their fieldwork, their report and their assessment and resubmit the report to the Committee on 24 September 2024 (Due **September 2024**). *PG reported that the HR report has been reviewed and they found that the sick note gaps in question related to staff on long term sickness absence and did not point to fraudulent activity. He stated that the context of decisions will be made clearer in future reports.* **ACTION CLOSED**

23/24 Audit 5 Action 4: MC to reconsider the implementation of recommendation 1 from the budget setting audit (Due **September 2024**). *MC reported that this is complete and is also reflected in section 10 of the follow up recommendations. Budget setting will be brought forward to February to synchronise with curriculum planning.* **ACTION CLOSED**

23/24 Audit 5 Action 10: A&R Committee members to provide feedback to JW on his observations on the 10 currently proposed strategic risks identified with the Strategic Plan and Accountability agreement (Due **September 2024**). *As the Committee has two new members replacing two former members, MB proposed that this is discussed today so that MHA and the internal audit team can look at this during the year. The Committee agreed with this proposal.* **ACTION CLOSED**

7. **CONFIDENTIAL – Risk Register Review**

The discussion was confidential and is recorded within the confidential minutes.

8. **Remaining IAS Reports for 2023/24**

The reports were circulated prior to the meeting and taken as read. The results of the following audits were discussed:

Payroll Systems and Controls – Rating: Significant Assurance. 1 medium and 2 low recommendations raised.

The remainder of the Payroll Systems and Controls discussion was confidential and is included within the confidential minutes.

Student Voice - Rating: Significant Assurance. 1 medium and 3 low recommendations raised.

PP reported that some recommendations from this audit are already being addressed at the Student Voice Working Group and he will ensure that the items are raised at the meeting next month. He also informed the Committee that the app is now live. JW added that the Remuneration and Governance Committee will be recommending to the Board that the Student Voice Working Group continues.

ACTION 7: PP to ensure IA recommendations are considered at the Student Voice Working Group (PP).

Apprenticeships Compliance – Rating: Reasonable Assurance – 1 medium and 5 low recommendations raised.

MB questioned whether the due dates for recommendations are definitive enough, particularly considering recent Curriculum and Standards Committee discussions. JW responded that there have been staffing and systems challenges in registry so the work is more complex than

it might appear. JW added that the new Assistant Principal for Information and Registry is due to join the College soon who will be able to assist with making the required changes.

Funding Assurance – Rating: Reasonable Assurance – 2 medium and 2 low recommendations (classroom) and 2 medium and 1 low (apprenticeships).

SM raised a concern surrounding the medium recommendations, asking whether there is there a risk that this might affect 2022/23 and, if so, whether the College has rectified the issues. JW responded that this may be a challenge in some cases, particularly in relation to ensuring digital signatures for classroom-based learners are non-refutable, as learners may have since left the College. He agreed to investigate the matter further.

ACTION 8: JW to check whether the same issues flagged in the Funding Assurance IA recommendations for 2023/24 existed in records prior to 2023/24 and arrange to rectify where possible (JW).

In response to a concern raised by MB regarding actions sitting with the Interim MIS Manager, JW advised that the new Assistant Principal for Information and Registry will be responsible for these going forward.

Follow-up of previous recommendations – Rating: Reasonable Progress

Risk and Assurance Progress Report

LC advised that the Darwin project report is now complete and with management for comment. It is due to return to the Committee for the November 2024 meeting.

The meeting took a break at 10:30am and reconvened at 10:35am.

9. Final IAS Annual Plan for 2024-25

The plan was circulated prior to the meeting and taken as read.

The following comments were made:

- It would be useful to see why audits are picked in favour of others perhaps not done as recently (PP).
- An idea was raised for a matrix to plan and track Internal Audits, so it is evident why each audit is selected (PP/JW).
- The examinations audit would cover the process of attributing invigilators and invigilator training (PG, following question from NG).
- The examinations audit should be completed earlier in the year to allow recommendations to be implemented in time for the summer series (JW).
- There could be more narrative on why there will not be an EDI audit (MB).
- Move devolution to later in the year and have a reserve, e.g. EDI, in case it is no longer needed (JW).
- The Senior Management Team will be looking at review cycles and will make proposals for the next meeting (JW).
- Each audit should be linked to the relevant risk.

ACTION 9: JW to make proposals for IA review cycles with SMT and bring proposals to the November A&R Committee (JW).

PP asked whether the College could consider for McIntyre Hudson to assist the College with the risk management process in addition to the Internal Audit. PG advised that an advisory audit, which takes a more consultative approach, could be a consideration. He added that meetings outside of an audit could be arranged if the College wished to seek their advice.

It was agreed that changes to the plan are merely in terms of the timings of certain audits and not significant, so the Committee could agree their recommendation to Board today.

The Committee determined to recommend the Internal Audit Plan to the Board with the following annotations:

- Move devolution audit to later in the year.
- Bring examinations audit forward.

10. **Progress Report on Outstanding Internal Audit Recommendations**

The paper was circulated prior to the meeting and taken as read.

JM informed the Committee that work by the Senior Management Team on Internal Audit recommendations is ongoing.

11. **Update from External Auditors**

SM provided a verbal update as follows:

- The interim audit went as planned.
- The Teachers Pension audit has been filed.
- The drafting of the annual accounts is in progress.
- The pension report has been submitted.

SM mentioned that sector updates are most appropriate for the June and November Committee meetings and suggested that he raises any relevant news in AOB at other meetings as updates often relate to recent news items.

12. **Governance Matters**

The paper was circulated prior to the meeting and taken as read.

JM reminded eligible independent Governors if they are interested in being appointed Vice-Chair of the Audit and Risk Committee to submit an expression of interest by 4 October 2024.

JM reminded the Committee that the Audit and Risk Committee Terms of Reference were revised and approved by Board on 2 July 2024 and asked the Committee to consider whether the membership should remain at 3 or be increased to 6 in line with other Committees.

After a brief discussion, the Committee determined to recommend to the Board that the Audit and Risk Committee Terms of Reference be updated to reflect a membership of 5 and a quoracy of 3.

A discussion ensued surrounding reasons for challenges in finding Governors to sit on the Audit and Risk Committee. It was noted that the timing of 9:00am on a weekday is problematic for some Governors, but it was stressed that daytime may be more convenient for external colleagues.

ACTION 10: JM to engage with audit colleagues to discuss timings for the A&R Committee and what they have seen as good practice in other colleges (JM).

ACTION 11: JM to contact Governors for their views on whether the Meeting Review and Summary item at the end of each meeting is useful and whether they wish to continue with it and report back to the A&R Committee (JM).

13. **Annual Whistleblowing Complaints Report 2023/24**

The report was circulated prior to the meeting and taken as read.

JW reported a nil report for 2023/24. He added that some reports had come to him via the whistleblowing process, but he assured Governors that these reports did not fit the formal definition of whistleblowing and were escalated through other routes. He added that this poses a question as to whether colleagues understand what whistleblowing is and how to raise non-

whistleblowing issues, but the Committee recognised that it is favourable to have over-reporting than under-reporting.

14. **Contracts and High Value Suppliers Register**

The report was circulated prior to the meeting and taken as read.

JM advised that the Internal Auditors made a recommendation after a Contract Management and High Value Procurement audit that the Contracts Register be shared with the Board or the Audit and Risk Committee to improve transparency.

JM reported that a Procurement Manager has recently been appointed. He is making progress on the Contracts Register and that it is work in progress.

MC advised in response to a question from NG that there is no official College rating for suppliers, but discussions at account management and Senior Management Team meetings provide a view on each of the high value suppliers.

The Committee noted the positive work on the Contracts and High Value Suppliers Register.

15. **Sector Updates**

PG reported the following:

- The ESFA Auditors Forum is soon to take place.
- The DFE will soon fully subsume the ESFA; this should not result in any significant change, and he expects audits to continue in a similar way as under the ESFA.

SM reported the following:

- News is expected later this week surrounding the possible change of accounting year.
- The budget is coming up soon, but he is unsure what will result from that at this stage.
- The VAT regime for independent schools is effective from January 2025 and this is likely to result in a mass pulling out of fee-paying students which could trickle down to the College.
 - In response, JW reported that the College recruit a modest number of students from independent schools, but less than some other schools. He added that there is capacity to accommodate small increases, but the College does not expect to be a natural alternative in this scenario.

There followed a short discussion surrounding the budget. JW expressed the concern that if there are no improvements for the sector, but employer measures are implemented, this may result in a significant financial hit for the College.

16. **Fraud Discussion**

MC verbally reported a nil return in the period since the last Audit and Risk Committee and added that there are growing pressures surrounding anti-fraud measures which the College needs to stay aware of.

17. **Statutory and Regulatory Updates**

No matters were raised under this item.

18. **Other Urgent Business**

PP advised that two Committee members (PP and NG) have sent their apologies for the meeting on 27 November 2024. It was stressed that there is no scope to move the meeting due to the timings of the audit and December Board meeting. MB offered to Chair the meeting and PP accepted his offer with thanks.

ACTION 12: JM to identify backup Governors for the meeting on 27 November 2024 and ensure SG and PG can attend (JM).

SM advised that, in some institutions, Committee members are invited to attend the audit closing meeting. He added that the closing meeting is due to take place week commencing 4 November, but a second could be held week commencing 11 November for the Committee to see the draft accounts and formalised agenda ahead of the Audit and Risk Committee meeting on 27 November 2024. PP and NG stated that they can be available week commencing 11 November.

ACTION 13: MC, KM and JM to arrange for members of the A&R Committee to attend an initial meeting with external auditors (MC/JM/JM).

The Committee were reminded by the Chair that verbal updates should be avoided and that there should always be a paper, even if a paper states that there is nothing to discuss.

19. CONFIDENTIAL – Meeting Review and Summary

The discussion was confidential and is recorded within the confidential minutes.

20. CONFIDENTIAL – Review of SPH Expenses Claims and Credit Card Data

The discussion was confidential and is recorded within the confidential minutes.

21. Date of Next Meeting

The next Audit and Risk Committee Meeting is scheduled to take place on 27 November 2024 at 9:00am.

All formal business having been concluded; the meeting closed at 11:29am.

Signed Date
(Chair)