

**Minutes of the Audit and Risk Committee meeting held on**

**Thursday 27 April 2023 at 9:30am using a blended approach with some Governors  
at the St Austell campus and others joining via Microsoft Teams**

**Committee members present**

Jonathan Mashen	JM	Committee Chair
Jane Warren	JW	
Ellen Winser	EW	

**In Attendance**

Ross Cooper	RC	Health, Safety and Environment Manager, item 9
Steve Dance	SD	CI Centerprise
Mathew Davies	MD	Finance Controller
Adrian Ford	AF	Vice Principal Group Operations (VP GO)
Adam George	AG	RSM (Internal Auditors)
Charlie Martin	CM	Bishop Fleming (External Auditors)
Wendy Randle	CS	Director of Governance
Louise Tweedie	LT	RSM

		<b>Action</b>
1	<p><b>WELCOME, APOLOGIES AND DECLARATION OF INTERESTS</b></p> <p>Apologies were received and accepted from Kate Evan-Hughes (KEH).</p> <p>The Committee reflected on the quoracy issues in the spring term which had resulted in the meeting being rescheduled to this date and no meeting taking place during the spring term. The Committee membership has been increased with the addition of KEH and the Committee Chair and another Governor plan to meet with a potential candidate for a co-opted Committee member role to strengthen the membership.</p> <p>There were no further interests declared than those already contained on the members' register.</p>	
2	<p><b>MINUTES AND MATTERS ARISING</b></p> <p>2.1 The minutes of the meeting held on 30 November 22 were agreed to be an accurate reflection of the meeting and were approved by the Committee. WR to amend the meeting date.</p> <p>2.2 <b>Matters arising</b> All actions were expected to be covered under agenda items. The Committee considered the matters arising report noting that many of the actions could now be removed.</p>	WR
3	<p><b>INTERNAL AUDIT</b></p> <p>RSM presented on the reports circulated for the below agenda items.</p> <p>3.1 <b>Internal Audit Benchmarking report 2021/22</b> Louise Tweedie from RSM presented on the report, highlighting the following:</p> <ul style="list-style-type: none"> <li>▪ Regarding the assurance levels comparison, the College has moved in a positive direction of travel, broadly in line with the sector.</li> </ul>	

<p>3.2</p> <p>3.3</p> <p>3.4</p> <p>3.5</p>	<ul style="list-style-type: none"> <li>▪ The management actions profile reflects the College are broadly in line with the sector though there were no high priority actions for the year.</li> <li>▪ The report includes analysis of where high priority actions were made across the sector. 40% of actions were linked with IT and cyber security with other common areas being financial and student records.</li> <li>▪ Over the last 3 years the College have received amber/ green assurance opinion which aligns across the sector as per 75% of the sector. Colleges who achieve the higher rating tend to be sixth form colleges and one campus sites with a different risk environment.</li> </ul> <p>Governor support and challenge</p> <ul style="list-style-type: none"> <li>▪ Governor noted the Board received a Cyber Security report during 2021/22, training in this academic year and have a further plan for an internal audit on the IT strategy report for 23/24.</li> <li>▪ The sample size for the benchmarking report was 120 Colleges, RSM remain the largest internal audit provider in the sector.</li> <li>▪ A Committee member was keen to explore where safeguarding and mental health sat within the risk assessment and assurance framework; following discussion it was agreed that this question be asked of both the HE and Curriculum and Quality Committees.</li> </ul> <p><b>Internal Audit Programme Progress report 2022/23</b></p> <p>The Committee received the report. RSM highlighted the following points:</p> <ul style="list-style-type: none"> <li>▪ Since the last meeting the final report on the Governance Framework audit has been completed.</li> <li>▪ Draft reports for Procurement and Contracts Management have been shared with the College; RSM await further information to clarify some of the points raised.</li> <li>▪ The Learner Number Systems audit has been completed with the draft report shared with the College.</li> <li>▪ The College can expect to receive the draft report for the Follow Up audit shortly.</li> </ul> <p><b>Update on the 2022/23 plan</b></p> <p>The previous spare internal audit days had been partially used with the addition of the Governance Framework audit. RSM had scoped the Golf audit which the College then cancelled due to undertaking their own internal review. In discussions with the College, the spare days will be used to extend the Curriculum Planning Process audit to explore how this links into the budget setting; completion of this audit will be deferred until June. The Committee supported and approved this proposal.</p> <p>In response to a Governor question, the College are reviewing the contract management processes within Golf with legal support, the outcomes of this will be shared at the next meeting.</p> <p><b>Internal Audit reports</b></p> <p><b>Governance Framework</b></p> <p>Circulated in advance of the meeting it was reported that substantial assurance had been provided with 3 low and 1 medium action as detailed below:</p> <ul style="list-style-type: none"> <li>▪ Update the Governor application form to reflect the latest KSCIE guidance.</li> <li>▪ Complete the planned review of Committee TOR and SOD with version control added.</li> <li>▪ Update the Governance recruitment flowchart.</li> <li>▪ Evidence that two references will be collated for all applications.</li> </ul> <p>It was reported that bar the review of the SOD and TOR which is planned for the summer term, the action points had been completed at Search and Governance Committee held on 26/04/23. The report will guide the next External Review of Governance planned for the spring term 2024.</p>	<p>WR/JM</p> <p>AF</p>
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<p>4.3</p> <p>4.4</p> <p>4.5</p>	<p><b>Board Assurance Framework (BAF)</b> The Committee reviewed the changes to the BAF following a College review. In response to Governor questions, the following points were noted:</p> <ul style="list-style-type: none"> <li>▪ Regarding the GDPR working group action, data registers have been updated with all managers to review and update by the end of April. It was noted that the review includes the reasoning why the data is held and for changes, compliance with retention guidance.</li> <li>▪ Governor noted the substantial progress made over recent years on the BAF and the number of green areas.</li> <li>▪ It was noted that the College are on high alert for the Ofsted residential accommodation inspection which will provide external assurance on this area of the College.</li> </ul> <p><b>Risk Register (RR)</b> Circulated in advance of the meeting having been prepared for the original March date, it was reported that the document is due a review. The Committee noted the key risks linked to under recruitment of 16-19 year old students and the HE student decline which would impact on the budget and cash flow in year.</p> <p>It was reported that two risks explored at the recent MCP Committee meeting will be added to the RR; one risk linked to include the budgetary risk for the Camborne redevelopment project and a further risk linked to the Tamar tower and meeting fire safety guidance.</p> <p>The risk linked with the St Austell new build and overspend against budget has been included on the RR. The Committee advised the inclusion of the St Austell new build fit out should be included on the RR for visibility.</p> <p>The College await a response from the Transaction Unit regarding the request to increase the cap.</p> <p>A Governor requested an update on the mitigation measures in place at the farm at Stoke Climsland. It was noted that the Environment Agency is aware of the plans linked to this risk and that there was no further update.</p> <p><b>Whistleblowing update</b> None to report.</p>	<p>AF</p> <p>AF</p>
<p>5</p>	<p><b>EXTERNAL AUDITORS – ESFA report</b> The Committee received the ESFA letter regarding the College Financial Statements Review 2021/22 and the Chair invited the external auditors to comment on the guidance provided on the Statement of Regularity, Propriety and Compliance whereby it was noted that the Statement of regularity, propriety and compliance was not in the format as set out in the College Accounts Direction 2021 to 2022, Annex B.</p> <p>It was understood that there had been a subtle change and that the external auditors will work with the College and consider any changes required in the College Accounts Direction 2022 to 2023 and make the appropriate amendments in next year’s submission.</p>	<p>AF/MD</p>
<p>6</p>	<p><b>POLICY MANAGEMENT</b> The Committee received the report circulated in advance of the meeting. The following points were highlighted:</p> <ul style="list-style-type: none"> <li>▪ The College have undertaken a review using the Eversheds policy list for September 2022.</li> <li>▪ An action plan is in place to ensure compliance of timescales, appropriate approval levels, and publication of policies where needed on the website.</li> <li>▪ Access to the policy schedule to policy owners will be granted via document finder held on</li> </ul>	

	<p>Insight.</p> <ul style="list-style-type: none"> <li>▪ The College are exploring how policies are accessible should the IT system not be available, to include specific reference to policies linked to the Business Continuity Plan.</li> </ul> <p>A further update will be presented to Committee at the November meeting.</p>	SA/AF
7	<p><b>RISK APPETITE</b></p> <p>Louise Tweedie from RSM was invited to present on the Risk Appetite. A copy of the presentation will be circulated with the minutes. Following discussion, the following actions points were agreed:</p> <ul style="list-style-type: none"> <li>▪ Consider reporting styles and formats of the RR, to enable easier review of the corporation risk.</li> <li>▪ Consider the development of a high level RR for presentation to Board.</li> <li>▪ consideration of the x's on the RR and testing of the approach taken to identify the x's positions.</li> <li>▪ Consider grouping of risks in themes or by appetite to drive focus on risk.</li> <li>▪ Further integration of risks into Board discussions and increased engagement of Governors of risk.</li> <li>▪ Develop timeline for targets to provide clarity</li> </ul> <p>The Committee thanked RSM for the training and following discussion agreed to that risk oversight and appetite be added to the Governance Action Plan (GAP) to develop Board's understanding and increase accountability. The Director of Governance and Committee Chair will develop this area of the GAP.</p>	<p>AF</p> <p>AF</p> <p>AF/JM/ WR</p> <p>AF</p> <p>AF/JM/ WR</p> <p>AF</p> <p>WR/JM</p>
8	<p><b>HEALTH AND SAFETY</b></p> <p>The Committee received the report noting that this had been received by Board in advance of committee review due to the March Committee meeting having to reschedule. The Health, Safety and Environment Manager was invited to join the meeting and the following points were noted:</p> <ul style="list-style-type: none"> <li>▪ The new interactive reporting and risk assessment system is now fully live, though there will be scope to develop the system further to support the college as needed.</li> <li>▪ The information coming through and information flow are both good and the College are confident with the action tracking.</li> <li>▪ Providing good information and provides increased oversight and increased assurance.</li> <li>▪ Staff are reporting that the system is easy to use with reporting of incidents at Camborne lower considering the size, complexity and activities completed on the site.</li> </ul> <p>In response to Governor's' questions the following points were noted:</p> <ul style="list-style-type: none"> <li>▪ The live reporting processes were shared with the Committee noting that all managers can see the data relevant to their department with ELT able to see all data relevant to the organisation.</li> <li>▪ The largest increase in incidents is equine, as expected due to their proactivity regarding Health and Safety.</li> </ul> <p>Regarding previous Governor challenge on Equine Health and Safety, a Governor was keen to identify how Board can gain assurance that the recommendations are being implemented? It was noted that improved signage is in place, that the footpath through equine grazing is not in use and that early conversations have been held with the new Head of Campus and Director of Farms to ensure communication of previously raised issues.</p> <p>It was agreed that a member of the Committee will complete a Beyond the Boardroom visit to the Camborne campus with the Health, Safety and Environment Manager before the end of the summer term.</p>	JM

9	<p><b>CONFLICTS OF INTEREST POLICY</b></p> <p>The Committee reviewed the proposed changes to the Conflicts of Interest policy and agreed to recommend to Board the approval of the policy.</p>	JM
10	<p><b>ITEMS TO BE SHARED WITH COMMITTEES/BOARD</b></p> <p>All Committees, during their summer term meetings, will be encouraged to consider areas requiring external assurance which could be considered for the internal audit plan for 2023/24.</p> <p>The Curriculum and Quality and HE Committees will be asked to consider how they gain assurance regarding how the College are supporting students with their mental health.</p>	<p>WR</p> <p>WR/JM</p>
11	<p><b>PRIVATE SESSION WITH THE AUDITORS</b></p> <p>RSM were invited to provide an update. It was reported that there has been good engagement and no further comments to make which had not already been shared regarding the changes to the Internal Audit Plan.</p> <p>Bishop Fleming were invited to provide an update. It was reported that there were no concerns and that they were looking to schedule the planning meeting with the team.</p>	
12	<p><b>DATES AND ADDITIONAL DATES OF NEXT MEETINGS</b></p> <p>28/06/2023 – All Governors were encouraged to ensure attendance at this meeting.</p>	