

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

**Wednesday 28 June 2023 at 2pm  
at the St Austell campus**

**Committee members present**

Jonathan Mashen	JM	Committee Chair
Perry Baker	PB	
Kate Evan-Hughes	KEH	
Ellen Winser	EW	

**In Attendance**

Ross Cooper	RC	Health, Safety and Environment Manager, item 9
Mathew Davies	MD	Finance Controller
Adrian Ford	AF	Group Deputy Principal Group Operations (DP GO)
Adam George	AG	RSM (Internal Auditors)
Wendy Randle	WR	Director of Governance
Craig Sullivan	CS	Bishop Fleming (External Auditors)
Louise Tweedie	LT	RSM left after item

		<b>Action</b>
1	<p><b>WELCOME, APOLOGIES AND DECLARATION OF INTERESTS</b></p> <p>Apologies were received and accepted from Jane Warren.</p> <p>The Committee approved Perry Baker's appointment as a co-opted Committee member for four years and Perry was welcomed to his first meeting.</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 27 April 2023 were agreed to be an accurate reflection of the meeting and were approved by the Committee.</p> <p>2.2 <b>Matters arising</b> The Committee reviewed the matters arising report.</p> <p>2.2ii <b>Summary of declaration of interests – senior leaders</b> The Committee received the report noting that future College reporting would fall in line with the annual Board summary presented in the autumn term.</p>	
3	<p><b>INTERNAL AUDIT</b></p> <p>3.1 <b>Internal Audit Programme Progress report 2022/23</b> Louise Tweedie from RSM presented on the report, stating that the draft follow up report is with the College for review and that RSM have nearly concluded on the Internal Audit Plan for 2022/23. The briefings and guidance documents within the reports were highlighted.</p> <p>3.2 <b>Internal Audit reports</b></p>	

3.2i	<p><b>Procurement and Contract Management Controls</b></p> <p>Adam George from RSM presented on the internal audit which had reviewed the procurement framework and application of the framework. RSM concluded a split opinion; providing a reasonable assurance opinion on the design of framework and a minimal assurance opinion for the application of the framework. It was reported that had RSM had not been provided with evidence that three quotes had been received in all test cases, with some scenarios reflecting the authorisation of retrospective waivers. The report identified one high and seven medium actions.</p> <p>In response to Committee member questions the following points were noted:</p> <ul style="list-style-type: none"> <li>▪ The Procurement Manager has put in place a strategy with a staff training package to increase staff awareness of processes.</li> <li>▪ Six out of the ten RSM system change recommendations have been implemented to prevent order processing and the remaining recommendations will be resolved with the implementation of the new IT system.</li> <li>▪ The Procurement Manager now works with the Estates Team each week to support this area where the majority of control fall downs were.</li> <li>▪ The College plan to undertake further revisions to the Financial Regulations to increase financial levels at which three quotes are required.</li> <li>▪ The waiver form is now in place prior to enabling next steps; staff were able to provide the reasons for the historic waivers; these were often due to reactive estates work.</li> <li>▪ The contracts register will move to an online system.</li> <li>▪ The design of the controls was explored as part of the audit; the systems and processes are in place with evidence of further measures being implemented.</li> </ul> <p><b>Actions</b></p> <p>The Committee requested an update on progress made regarding the implementation of the new IT system and a progress update against the actions at the November 23 and/or March 24 Committee meetings.</p>	AF/WR
3.2ii	<p><b>Learner number systems</b></p> <p>Adam George from RSM presented on the internal audit which had reviewed compliance with ESFA funding rules. The audit process followed aligned to how an ESFA audit would be undertaken. There were seven low and one medium recommendations, an improvement on previous years with the College in line with sector average. It was noted that RSM do not provide an opinion with this audit; the College were secure, noting previous clean ESFA audits.</p> <p>The Committee challenged the sample size comparable to the cohort size questioning if this was sufficient to provide the Committee with assurance. It was understood that the largest sample was with apprenticeships due to this being a common area for issues countrywide and that issues are usually identified early; the ESFA audit sample size is approximately 30.</p>	
3.2iii	<p><b>Selected Cyber Security Controls</b></p> <p>Previously reviewed by Committee.</p>	
3.3	<p><b>Draft Internal Audit Plan 2023/24</b></p> <p>The DPGO reflected on the improved, effective use of the Board Assurance Framework (BAF) to guide the Internal Audit Plan. A discussion took place on Board involvement into the plan, noting that the previous meeting proposals had been included within the three year plan and that the agenda item used at Committee requires review in order to stimulate further committee contribution.</p> <p><b>Actions</b></p> <ul style="list-style-type: none"> <li>▪ The Committee requested that the Procurement and Contract Management Controls report</li> </ul>	WR WR



6.2	<p><b>Business Continuity Plan (BCP)</b></p> <p>The Committee received the report provided by CIBCentreprise, who conducted the review of BCP and scenario testing. An overview of the changes being made to the BCP was provided; the revised document will be shared at the November 23 Committee meeting.</p> <p>The College continue to explore electronic filing of documents, plan to create a further domain name and have implemented some What's App groups to support communication. In response to a Committee member question, the College insurance provider will provide relevant support where needed in the event of a cyber attack, with no financial limitation. In response to a Committee member question, the Committee acknowledged that the size of the IT department and organisation presents a risk in over reliance on key staff, the Head of IT Services will be encouraged to share knowledge with the IT team.</p>	AF
6.3	<p><b>Board Assurance Framework (BAF)</b></p> <p>The Committee reviewed the changes to the BAF following a College review. It was noted that most changes relate to where there was minimal external assurance and therefore linked and completed within the internal audit plan. In response to a Committee member question there will be an updated on progress made regarding policy management at the November meeting.</p>	AF
6.4	<p><b>Risk Register (RR)</b></p> <p>The DPGO reported that good Operational Leadership Team (OLT) engagement with the RR continues, therefore moving forward not all risk detail will be considered by Board and instead more operational risks will be reviewed by OLT with staff being asked to challenge risk targets. It was also noted that there has been good governance engagement with risk identification and review across Committees during the academic year, with a risk appetite session planned for Board in the autumn term, in line with the College's review timeline.</p> <p>The DPGO provided the following updates:</p> <ul style="list-style-type: none"> <li>▪ Staff retention – remains ongoing with measures to mitigate in place, to include a focussed pay award for some staff and the minimum wage increase.</li> <li>▪ English and maths – the Committee explored the suitability of the risk classification suggesting this should be less than reflected. The DPGO will explore with the Deputy Principal Curriculum and Quality, noting this might be linked to staff vacancies at the Stoke campus.</li> <li>▪ Sequenced curriculum – recent curriculum planning undertaken has improved this area.</li> <li>▪ Residential accommodation – the College continue to await a residential inspection and expect this in the new academic year.</li> <li>▪ HE – the impact of a reduction in student numbers was known, the College anticipate a further reduction for 23/24 yet note applications have improved.</li> <li>▪ Financial viability – the budget was missed in terms of the EBITDA, yet good cash management has enabled corrective action.</li> <li>▪ Environmental risks linked with Stoke – improvements will have been completed by end of summer.</li> <li>▪ H&amp;S – the impact of the new IT system was noted.</li> <li>▪ Ability to invest in campuses – this area remains reliant on securing grant funds as the College are unable to invest independently.</li> <li>▪ Infrastructure – no financial risk with STAC new build, yet the risk incorporates the impact of the delay and resulting reactive maintenance with the College also likely to be responsible for furnishing the build. The Camborne Redevelopment project is on target, the risks link to any overspend which will be the College's responsibility and the potential risks with the Tamar building.</li> <li>▪ New risks added include risks linked to the qualification reforms and the implications of the delays linked to the St Austell build.</li> </ul>	AF

6.5	<p>The College are exploring a more accessible format for the RR.</p> <p>Following discussion, the Committee agreed to explore the frequency of cyber security updates, to include the reporting of cyber incidents, to provide further assurance to Committee.</p> <p>In response to Committee member challenge, the College are monitoring the assessment of how inflation is calculated noting that assumptions had also be challenged at the F&amp;R Committee.</p> <p><b>Whistleblowing update</b> None to report.</p>	AF/JM
7	<p><b>OTHER ADDITIONAL AUDITS</b> <b>ITE – grant funding for teacher training</b> The Committee received and noted the clean audit report.</p>	
8	<p><b>RISK DEEP DIVE</b> <b>Student recruitment processes and timetable</b> The Vice Principal Data, Funding &amp; Compliance was invited to join the meeting to provide an overview of the student recruitment processes. It was noted that improved processes within recruitment have resulted in earlier applications, the College expressed caution that early applications do not necessarily indicate additional students.</p> <p>The Committee praised the data rich position the College had now achieved and were keen to learn if the data correlates to the marketing budget. It was noted that the College have decided to focus marketing in areas of high demand, rather programmes with small numbers, alongside reviewing the impact of all activity.</p> <p>The College have further developed the curriculum planning process with staff who now have access to the systems required to plan learner numbers based on their own and marketing intelligence, thus supporting skills development and accountability.</p> <p>The College have increased confidence in the data and are more secure with budget setting and await the outcome of enrolments.</p>	
9	<p><b>HEALTH AND SAFETY</b> The Committee received the report and the Health, Safety and Environment Manager was invited to join the meeting, the following points were noted:</p> <ul style="list-style-type: none"> <li>▪ Incident reporting is increasing</li> <li>▪ Risk assessments are embedded</li> <li>▪ Increasing audits are taking place</li> <li>▪ Staff are positive about using the new Health and Safety reporting system</li> <li>▪ The College are delivering staff training and developing template instruction guidance</li> </ul> <p>A Committee member reflected that they were pleased with the outcomes in the report, noting the success of the system is reflected in the reporting.</p> <p>In response to a Committee member question it was noted that retention and security of chemicals is beind improved to ensure ease of staff reporting, with training underway.</p> <p>A Committee member completed a BTB visit at the Camborne campus which included a tour of the progress made of the Camborne Redevelopment Project.</p>	

10	<b>POST 16 AUDIT CODE OF PRACTICE</b> The Committee received the updated document circulated.	
	The Principal, DPGO and Financial Controller left the meeting.	
11	<b>PRIVATE MEETING OF COMMITTEE WITH AUDITORS</b>	
	The Principal, DPGO and Financial Controller returned to the meeting and the Internal and External Auditors left the meeting.	
12	<b>COMMITTEE MEMBERS ONLY MEETING</b> <b>Agree contract for the External Auditors</b> The Committee agreed to recommend approval of the BF contract; 2+1+1, noting that at the December Board meeting the Board will be asked to approve the final year of the contract for 2023/24, with the tender process commencing in Jan 2024 to secure a contractor for 2024/25.	
13	<b>ITEMS TO BE SHARED WITH COMMITTEES/BOARD</b> <ul style="list-style-type: none"> <li>▪ Share RSM reports with appropriate Committees.</li> <li>▪ Recommend to Board approval of the Internal Audit Plan for 2023/24</li> <li>▪ Recommend to Board approval of the External Audit Strategy for 2022/23</li> <li>▪ Recommend to Board approval of the BF contract; 2+1+1, noting that at the December 23 Board meeting the Board will be asked to approve the final year of the contract for 2023/24, with the tender process commencing in Jan 2024 to secure a contractor for 2024/25.</li> </ul>	WR JM JM JM
14	<b>DATES AND ADDITIONAL DATES OF NEXT MEETINGS</b> 29 November 2023, St Austell/ Teams 7 March 2024, St Austell/ Teams 26 June 2024, St Austell/ Teams	