

Solihull College and University Centre

**Minutes of the Audit & Risk Committee Meeting held 17th October 2023
at 5.00pm by MS Teams**

Present Lucy Lee [Chair of Audit & Risk Committee]
Amirun Nehar [Vice Chair of Audit & Risk Committee]
Sarah Horton-Walsh
Tony Worth [External Member]
Harrison Thompson
Rebecca Gater [Principal & Chief Executive]
Barbara Hughes [Chair of Corporation] - **observer**

In attendance Heather Hunt [Deputy Principal & CFO]
Lee Jamieson [VP Quality and Curriculum]
Pete Haynes [VP HR & Student Services]
Sam Bromwich [Director of Corporate Governance, Risk & Compliance]
Nancy Buckley [Vice Principal, Business Growth, Skills & Partnerships]
Louise Tweedie [Partner, RSM]
Laura Gough [Internal Audit Manager, RSM]
Edward Blackman [Audit, RSM]
Jonathan Brown [Partner, Audit-KPMG]

1. Apologies for absence

There were no apologies to be recorded. The Chair confirmed item 7 would be discussed after item 3 so that attendees from RSM could leave the meeting early.

2. Declarations of Interest in relation to this agenda

There were no new declarations of interests received.

3. Minutes and Confidential Minutes of the previous Audit & Risk Meeting held on 13 June 2023

The meeting minutes and confidential minutes of the Audit & Risk Committee meeting held on 13 June 2023 were **agreed** as a true record.

There were no comments or questions regarding matters arising and actions from the minutes. **Following a question from the Chair**, the Director of Corporate Governance, Risk & Compliance confirmed an actions report would be included in future meeting packs. **ACTION**

Item 7 was discussed here and recorded under Item 7 within the minutes – once the update was given Louise Tweedie left the meeting

4. Memberships Update

Michael Burnett

Governors were asked to approve the recommendation to appoint Michael Burnett (MB) as an External Member of the Audit & Risk Committee, and a copy of his CV was received.

The Chair of the Audit & Risk Committee, Chair of Governors, the Principal and CEO and the Director of Corporate Governance, Risk & Compliance, met with MB and confirmed that he would make a suitable External Member of the committee.

The Director of Corporate Governance, Risk & Compliance confirmed the recommendation was approved at the Search & Governance meeting in October and a quorate vote received by the Corporation approving the recommendations. A formal appointment process will follow, and references would be requested so that he could join the next meeting in November 2023.

With there being no comments or questions, the committee **noted** the appointment of Michael Burnett as an External Member of the Audit & Risk Committee effective 1st November 2023.

Tony Worth

The Director of Corporate Governance, Risk & Compliance confirmed Tony Worth had agreed to another term of office as an External Member of the Audit & Risk Committee. It was noted the extension was beyond the standard 2 terms however it was agreed he is a valuable member of the committee with high levels of expertise adding value as an External Member and this is in accordance with the guidelines in the governor's handbook.

A quorate vote was received by the Corporation extending his term of office for a further 4 years ending 31st July 2027.

5. Board Assurance Presentation Proposal

The Board Assurance Presentation Proposal report was received; governors were asked to approve the proposal for the on-going board assurance presentations for 2023/24.

The Director of Corporate Governance, Risk & Compliance confirmed the plan was in response to how the College reviewed areas of external assurance which gave assurance to the Audit & Risk committee that the College is responding to risk.

A meeting took place to identify the top risks for the current year to give assurance against those which were confirmed within the report. An explanation was given regarding how presentations would be delivered and that they tied in with the internal audit plan. The first meeting in November will include campus security within the Incident Management presentation.

Governors were advised of a change of order to the presentations: - Cyber Security will be delivered on 5th March 2024 and Health & Safety moved to 18th June 2024.

The Chair commented the timing of the presentations was important ensuring information was relevant enabling board assurance.

The proposed plan for board assurance presentations for 2023/24 was **approved**.

6. Risk Management and Board Assurance Report

The Director of Governance Risk & Compliance gave a detailed explanation to the Risk Management and Board Assurance Report which included the latest risks.

Strategic Risk Register and Board Assurance Framework 2023/24

Following a question from a governor, the Chair highlighted the importance of reviewing the risk appetite given the volatility of risk that is currently occurring. The Principal and CEO added that following recent discussions with EMT regarding risks particularly around the internal audit report, and that there were questions about risk appetite to how these could be taken forward. She gave an example to how revisiting the risk appetite added value out of the internal audit reports.

The Chair commented on the importance of ensuring they received value out of the internal audit reports and being open to risk appetite was a key part of this.

Following a comment from the Chair, discussions took place regarding how the committee could take forward actions incorporating them within the committee's plan. The Deputy Principal and CFO confirmed the risk management internal audit is scheduled to take place in April 2024. It was agreed that as part of the assurance process an exercise to review risks should be completed prior to the audit taking place, and the risk examples received from -KPMG should also be included. **It was agreed to do this involving full Corporation in a similar way to the session held in March 2022**
ACTION

The Corporation meeting on 10th October confirmed the confidential top risks report could be removed and merged as one set of top risks. The Stratford Campus redevelopment project was complete. Governors **agreed** that the temporary Stratford Campus risk register was no longer required, and actions should be included on the Strategic Risk Register.

With there being no further comments or questions, the report was **noted**.

Risk Management Annual Report 2022/23

The report gave governors assurance that the College has a sound system of internal control. The Director of Corporate Governance, Risk & Compliance advised that in the interests of reducing reports and in line with the Terms of Reference, the monitoring report on Insurance has been incorporated within the Risk Management Annual Report.22/23

The Chair invited governors to ask questions regarding the Risk Management Annual Report. With there being no further comments or questions, the report was **noted**.

7. Internal Audit

This item was taken earlier in the meeting.

Louise Tweedie – Partner at RSM presented an update on the following items:

7.1 Annual Report 2022/23

A draft copy of the Annual Report 2022/23 for the year ending 31 July 2023 was received, and it was confirmed that a final report would be presented to the Audit & Risk Committee in November.

The RSM Partner confirmed the format of the report reflected previous formats and that it was based upon the work undertaken during the year to provide the overall opinion that the College did have an adequate and effective framework for risk management, governance and internal control with the further enhancements. These were noted in the report as medium priority actions that have been raised across the course of the year.

An explanation, context and background information were also provided to how the overreaching opinion was reached confirming that it was a more targeted approach.

With there being no comments or questions, the committee were satisfied that the report provided the relevant details. The report was **noted**.

7.2 Internal Audit reports

Number Learner Systems – Testing based on selected areas of the funding audit approach for 2022/23 was presented as a late paper.

The RSM Partner confirmed the final assignment report for 2022/23 focussed on funding compliance and 4 areas of funding compliance were tested. These were confirmed as 3 ESFA areas, apprenticeships, adult education, and study programmes offered to 16–19-year-olds. In addition, the WMCA provision for adults was included in the test area. An explanation was given on how the actions were referenced in the conclusion report particularly those in apprenticeships for people who work in the sector.

The RSM Partner thanked the committee for reviewing the report as a late paper noting the work was significantly bigger than previously planned and budgeted for. Colleagues at the College were thanked for helping to finalise the report, particularly the Management Information Team (MiS) team who supported finalising the report through the provision of evidence.

Following a question from a governor, the RSM Partner provided an explanation on how 5 medium and 8 low findings compared when looking across peer groups, noting that the high priority actions was common practice. She confirmed the overall number of actions was the same as the average when reviewing these areas and they often raised high priority actions where there is a more significant and potentially more direct impact of funding clawback. It was important to note there were some concerns highlighted in the report that could impact on funding if in the event of a funding audit, and confirmed the importance that actions should be taken forward.

A governor shared concerns to the number of actions within the report to those that have been recorded. The RSM Partner explained that changes followed discussions with the College.

The Chair commented on the amount of work which had gone into the report and sought clarification regarding the next steps. The RSM Partner confirmed clarification would be included in the progress report in April 2024 and the College should take necessary steps to implement the changes prior to the process report being produced.

With there being no further comments or questions, the report was **noted**.

7.3. Internal Audit Progress Report

The Internal Audit Progress Report was shared prior to the meeting and provided an update on progress against the plan summarising work completed to date. The RSM Partner gave an update regarding the internal audit work completed to date, the mandatory work on the Subcontracting

Standard (ESFA) and the Subcontracting Certificate (WMCA) which was completed over the summer ahead of the 31st July 2023 submission deadline. The audit of the Safeguarding Framework and Cyber Incidents Response arrangements were commencing week beginning 6 November 2023.

Following a governor comment, discussions took place regarding concerns about where cyber-attacks were listed in the report. Clarification was given regarding whether the Corporation were satisfied that they were aware of emerging risks and how they were able to deal with them appropriately. **The Principal and CEO explained** the College revisited risks regularly and updated the top risks and College's risk register which were under constant review.

The Director of Corporate Governance, Risk & Compliance assured governors that the Executive Management Team (EMT) were responsible for regularly reviewing their risk areas. Referring to recent security incidents on campus, assurance was given noting they were reviewed as a top risk and although these incidents cannot be predicted an immediate review is taken place to identify potential impacts on the College. The Principal and CEO further explained the scoring framework helped to determine whether they should make it to the top risks or whether it mitigated significantly to not be a high priority.

With there being no further comments or questions, the report was **noted**.

8. Health & Safety Annual Report and Policy Update

The Deputy Principal and CFO presented the annual Health & Safety report which covered accident statistics, activities that have taken place during the year and outlining how the College has carried out its duty of care regarding Health and Safety.

Following a governor question, the Deputy Principal and CFO referred to the reinforced autoclaved aerated concrete (RAAC) survey and confirmed there were no concerns to be advised. A further update was given regarding tenders and procurements to be completed.

An explanation regarding the changes within the Health and Safety policy was provided. With there being no comments or questions, it was agreed the Health and Safety Policy should be **recommended for approval** at the next Corporation meeting.

9. Additional Audit Work - Confidential

Laura Gough [Internal Audit Manager, RSM], Edward Blackman [Audit, RSM] and Jonathan Brown [Partner, Audit-KPMG] left the meeting.

The report received which gave an update on additional work completed by the College's internal and external auditors and any ad hoc audits that have taken place at the College and a detailed update was provided.

Following a question from the Chair, the Deputy Principal and CFO provided an update regarding why the learner number audit report was submitted late.

With there being no comments or questions the report was **noted**.

10. For Information

The following reports were circulated and received for information and an explanation for the purpose of the reports was provided.

- Draft Annual Report of the Audit committee and Principal
- Draft Regulatory Audit
- Summary Report and Fraud Log
- Implementation of Audit Recommendations

A governor highlighted an error in Chair's attendance on the Annual Report of the Audit committee.

ACTION

The reports were **noted**.

11. Any Other business

There were no items discussed.

12. Date and Time of Next Meeting

- Tuesday 28/11/2023 (with Corporation) 5pm at WOODLANDS
- Tuesday 05/03/2024 5pm on TEAMS
- Tuesday 18/06/2024 at BLOSSOMFIELD

The meeting ended at 6.00 pm.



Signed:

| Dated: 28/11/2023