

# Solihull College & University Centre

## Annual Audit & Risk Committee Meeting

Minutes of the meeting held on Tuesday 5<sup>th</sup> March 2024  
5.00pm – 7.00pm Virtual meeting on Teams.

**Present** Lucy Lee – Chair of A&R committee  
Amirun Nehar  
Harrison Thompson  
Sarah Horton-Walsh  
Tony Worth – External Member  
Michael Burnett - External Member

**In Attendance** Rebecca Gater – Principal & CEO,  
Heather Hunt – Deputy Principal and CFO,  
Pete Haynes – Vice Principal HR & Student Services,  
Lee Jamieson – Vice Principal Quality & Curriculum,  
Nancy Buckley - Vice Principal Business Growth, Skills & Partnerships,  
Sam Bromwich – Director of Corporate Governance, Risk & Compliance  
Dave Gartside – Director of IT  
Louise Tweedie – Head of Internal Audit RSM  
Edward Blackman – Assistant Audit Manager RSM

**Apologies** Jonathan Brown - KPMG

### 1. Welcome and Apologies

The Chair of the Audit & Risk committee meeting welcomed everyone to the meeting, apologies were received and accepted from Jonathan Brown from KPMG.

The Chair confirmed there was a change to the order of the agenda items and that agenda items 5 and 6.3 were being presented first to allow attendees to leave the meeting early.

Michael Burnett – External Member was welcomed to the meeting and members of the Audit & Risk committee introduced themselves.

### 2. Declarations of Interest

There were no declarations of interest declared.

### 3. Minutes of the previous Audit & Risk committee meeting (joint Corporation) and Actions Report 28<sup>th</sup> November 2023

The previous minutes of the A&R Committee (joint Corporation) held on 28<sup>th</sup> November 2023 were circulated and **APPROVED**.

The actions were reviewed, and an update was provided.

### 4. Membership Update

The Director of Corporate Governance, Risk & Compliance confirmed Lucy Lee's second term of office will end in July 2024, and she will cease to be the Chair of the A&R Committee. Amirun Nehar has accepted the role of Chair of the A&R committee from September 2024.

The A&R committee **approved to recommend to Corporation** the appointment of Amirun Nehar as Chair of the A&R Committee.

It was noted that once the appointment is ratified by the Corporation, it is necessary that a Vice-Chair for the A&R committee is agreed. **ACTION**

## 5. Board Assurance Presentation – Cyber Risk

This item was presented after item 2.

Dave Gartside – Director of IT gave a presentation on the following items:

- Current State of Play
- Key Mitigations we have in place.
- Residual Risk Score
- Pre-Audit background and response to Cyber Planning
- Audit Feedback

The Head of Internal Audit - RSM provided an update on the Cyber Incident Response Arrangements outcome (item 6.3). She confirmed that a review was undertaken to look at the implementation and embedding level of the high-level college security and there have been a number of positive assurances given regarding IT and cyber/data environment to the college over the past few years. It was noted that the recent review looked at the operational level and how those have been embedded as a consequence, have received further actions in areas for improvement. A detailed explanation of the key findings and actions was provided.

**Following a governor question**, the Director of IT confirmed individual department plans were initially paper based, and in addition they were available in the cyber incident management folders. All managers are encouraged to create documentation required which can be accessed online to survive a cyber-attack. He further confirmed there are three support laptops to be used for each of the three campuses as “live” laptops in the event of a cyber-attack for teams to access their documentation so they can work in a disconnected state.

Discussions took place regarding plans which were in place to print documentation when required and how long it would take.

**A governor commented** on some of the action dates that have a long lead time, and shared concerns regarding unmitigated risks for that length of time. The Director of Corporate Governance, Risk & Compliance confirmed that lead times were realistic and reviewed on a regular basis, and action dates were reviewed and updated accordingly. The Deputy Principal and CFO further confirmed they were working towards the deadline dates to ensure they were achievable, that they dealt with high priority actions and monitored progress.

The Head of Internal Audit assured governors they were not “quick win” actions, and they would require investment of time. It was further confirmed that RSM had conducted a “check and challenge” process to ensure deadlines were realistic and a progress report on the outcome of the actions could offer the committee some reassurance. This was welcomed by governors, and it was agreed that the IT Director would provide an update to each A&R committee in June and October 2024. **ACTION**

**Following a governor question**, the Director of IT explained the emerging or significant risks identified. He noted that some devices have administrative controls i.e. computers and mobile phones which allow them to control the circumstances by which they connect to college data. However, as we are a college and there are a large number of students the big risk is there is no administrative control over those devices and an explanation was given regarding why.

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

*The Director of IT and the Head of Internal Audit – RSM left the meeting.*

## 6. Internal Audit

The following reports were circulated for information. The Chair confirmed Learner Number Systems were discussed at a previous meeting and did not require further discussions.

The Assistant Audit Manager from RSM provided a detailed explanation of the reports.

#### Safeguarding Framework

Whilst there were no management actions in the report there was one area identified at the time of the review in relation to the single central record with the Keeping Children Safe in Education 2023 (KCSiE) and recording a relevant activity. An explanation was provided regarding the actions which were identified.

The Chair noted it was reassuring there is good assurance that the issues have been resolved.

#### Progress Report

It was confirmed the reports for the key financial controls and estate compliance were currently going through the internal quality assurance (QA) process and the progress reports would be circulated at a later date. **ACTION**

**A governor** referred to global internal standards noting that it will take a lot of work for audit committees in terms of documentation, documenting, challenge and it is clear there will be more work to be done going forward.

**Following a governor comment,** The Assistant Audit Manager confirmed the 2024/25 Internal Audit Plan will be presented at the next meeting in June. Consideration could be given to review the impact on the college of AI when discussing planning meetings for items to be considered on the next plan. In response the Director of Corporate Governance Risk & Compliance reminded governors the governor briefing session on AI and the impact on the college and governance will be an opportunity to discuss the item.

The Chair noted that the A&R committee will be involved in setting and reviewing the internal audit plan for 2024/25.

The Chair asked how the red/amber status of the cyber audit report will impact on the overall audit option of the college. The Assistant Audit Manager confirmed that consideration would be taken and that the report has a deepened surface level so that it did not negatively impact on the overall audit option. The Director of Corporate Governance Risk & Compliance confirmed the Head of Internal Audit previously confirmed it would not affect the overall audit option for this standalone audit.

The Assistant Audit Manager *left the meeting*.

#### Annual FE Benchmarking Report 22/23

Key themes were explained, drawing particular attention to pages 4, 6 and 8 of the report.

**Following a question from the Chair,** the Director of Corporate Governance, Risk & Compliance explained the internal audit planning session will need to be agreed before the next committee meeting in June. The External Members both volunteered to be part of the planning session. **ACTION**

*SH-W left the meeting due to connection issues.*

## **7. Risk Management & Board Assurance Report**

The report was circulated in advance of the meeting and provided the latest risk reports including the Strategic Risk Register and Board Assurance Framework for 2023/24, Top Key Risks and a proposed risk reporting matrix showing how top risks move over time.

The Director of Corporate Governance Risk & Compliance noted the new format of the Strategic Risk register enabled the committee to have assurance that it is being regularly reviewed, and the latest top risks which have been reviewed will be presented to the next Corporation meeting in March. The reports were **noted**.

The Top Risks Tracking report was shared and an explanation was provided regarding feedback received following a review from KPMG who shared some examples of risk reporting. The committee agreed the report was easy to understand, showed clear tracking and movement in the progress of the risks. **A governor shared concerns** regarding some of the date gaps within the report. The Director of Corporate Governance Risk & Compliance explained that it was due to them being risk based at Corporation meetings which was unavoidable.

Following discussions regarding the report it was agreed to update the comments to indicate when Corporation discussion has taken place so that it showed what the dates represented, and to show the number on the table is the multiple of the impact and the likelihood so that it was clear for all audiences. **ACTION**

With there being no further comments or questions, the Audit & Risk committee **recommended** the revised Strategic Risk Register and Board Assurance Framework 2023/24 (including top risks and Independent Board Assurance) and the Top Risk Tracking report to be implemented as part of the risk monitoring processes.

## **8. Health and Safety Termly Report**

The Deputy Principal and CFO presented the termly H&S report which covered accident statistics, security incidents, activities that have taken place during the year to date and to outline how the college has carried out its duty of care regarding Health and Safety.

**A governor asked** how the figures compared to previous periods. In response, the Deputy Principal and CFO referred to the termly report noting general accident patterns were an ongoing trend, and that RIDDOR were rare and maybe happened once per year. Whilst they were low numbers all accidents were taken very seriously and investigated appropriately.

The report was **noted**.

## **9. Confidential**

The Finance Director attended the meeting for the confidential items.

### 9.1 Review of Performance of Financial Statement Auditors (KPMG) for 2022/23

The report, External Auditors KPI's 2022/23 and KPMG Value Added Report 2022/23 was received which provided a review of the performance of the Financial Statements Auditors based on audit of the college's 2022/23 financial statements. The Deputy Principal provided a detailed explanation of the process which took place to review their performance.

Governors commented on the increase in fees and value-added work from the auditors and the justification for the increase in costs.

The Audit and Risk Committee **noted** the performance of the Financial Statements Auditors for 2022/23.

### 9.2 Summary report Internal and External Audit contract approval process

#### **Internal Audit**

The report recommended to the Audit and Risk Committee the process for appointing both Internal and External Auditors. Regarding the Internal Audit contract, the Director of Corporate Governance, Risk & Compliance confirmed that the Head of Internal Audit is able to stay with the same college indefinitely. The only requirement is that the independence is considered every year after seven years. The Committee will need to formally confirm they are content for the Head of Internal Audit to continue from 1 January 2025.

The committee **noted** prices are fixed for 3 years as detailed within the report.

The committee were advised that consideration was made regarding the option to have an in-house internal audit service, however it was not necessary due to the nature of the role of the Director of Corporation Governance, Risk and Compliance which allows more control of the internal audit service.

Discussions took place regarding the costs of an in-house audit process. With there being no further comments, the Audit and Risk committee **recommend to Corporation** the extension of the Internal Audit contract for RSM for 2 years including the current lead Head of Internal Audit.

### **External Audit**

The Director of Corporate Governance Risk & Compliance presented the report which confirmed KPMG were appointed for 3 years 2020/21, 2021/22 and 2022/23 again with an option to extend for a further 2 years. Prices were fixed for the first 3 years and then increases are capped at inflationary rises and as agreed by the College.

KPMG have confirmed that their fees would increase substantially, and it is proposed to go out to tender for this contract.

The indicative process and timescales were reviewed and **approved**.

The Audit & Risk committee **recommend to Corporation** the proposal to go out to tender for the External Audit contract. Committee members were asked to volunteer in the tender process.

*TW left the meeting.*

### **9.3 Additional Audit Work**

The paper was shared which provided an update to the committee on additional work completed by the college's internal and external auditors and any ad hoc audits that have taken place at the college.

The Deputy Principal and CFO provided a detailed explanation of the points within the report. Referring to quotations to undertake a review of additional support costings to support funding claims, the committee were advised the recommendation will require a Chair's Action from the Chair of the Audit & Risk committee so that the work can commence prior to the next meeting in June 2024.

### **ACITON**

The report was **noted**.

### **10. Policies (for recommendation for Corporation approval)**

The Value for Money policy was circulated; the committee **approved to recommend** Corporation approval.

### **11. Implementation of Audit Recommendations (for information)**

The Management Report on Implementation of Audit Recommendations report was shared for information and **noted**.

### **12. Any Other Business**

There were no items to be discussed.

### **13. Future Dates**

Tuesday 18<sup>th</sup> June 2024 at Blossomfield – in person.

The meeting ended at 6.30pm

**Signed: Lucy Lee – Chair of A&R Committee**

**Dated:18.06.2024**

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