



**MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD
09 MARCH 2021**

- Present: Mr Stephen Hewes (Chair)
Mr Gerard Weide
- In Attendance: Ms Kim Saw - Director of Finance
Mr Jon Allen - Clerk
Mr Chris Rising - MacIntyre Hudson (Internal Auditor)
Mr Chris Whelan - Chief Executive, Reigate LA

The meeting commenced at 1730.

WELCOME, APOLOGIES & DECLARATIONS OF INTEREST

1 The Chair welcomed everyone to the meeting. There were no apologies. There were no declared interests against any of the agenda items.

MINUTES

2. It was **RESOLVED** to note the minutes of the Audit & Risk Committee meeting held 17 November 2020.

SUMMARY ACTION LIST & MATTERS ARISING

3. The ‘Summary Action List’ was received and reported on the following action points from the previous meeting:

MIN DATE & REF	ACTION POINT	UPDATE MADE AVAILABLE TO THE MEETING
23/6/20: 31	Disaster Recovery Plan & IT Disaster Recovery Policy - both policies will be subject to further review to take into account lessons learnt from the current pandemic and the outcomes of the review and IT testing will be made available at the spring 2021 Audit Committee meeting.	The following update was made available: <i>Any required revisions to the Disaster Recovery Plan & IT Disaster Recovery Policy to be considered at the same time the IT Manager is able to deal with the technical issues raised in the action point below (Minute 32).</i>
23/6/20: 32	The Committee sought clarification on the date of the last IT test was and the CEO agreed to ask this question of the IT Manager and to report back to the Committee.	The following update was made available: <i>Discussions with the IT Manager are continuing on whether a ‘Cloud-based’ back up of all College data is feasible, especially as the costs appear to have</i>

		<p>come down for the service. As the IT Manager is currently tasked with other immediate priorities arising from the Covid-19 pandemic, it was AGREED to receive a progress update at the next meeting.</p> <p>In the meantime, it was noted that the restore process had been successfully tested using a limited dataset during the February half-term.</p>
23/6/20: 43	<p>The Committee AGREED to revert to the use of KPIs to conduct the annual review of auditors. Instead of using a numbering assessment as proposed, it was AGREED to use a RAG assessment approach, and to delete section 5 'effectiveness of liaison between auditors'. It was further AGREED to add to the framework confirmation of when the last tender was conducted and how many years the Principal Auditor has served.</p>	To be an agenda item at the summer term meeting – 22/6/21
17/11/20: 12	<p>Progress in the implementing the 3 outstanding internal audit action points will be provided in the 'Audit Progress Report' to be made available at the spring meeting.</p>	Agenda item at this meeting
17/11/20: 13	<p>The following amendments are required to be made to the Financial Statements before it is made available to the Trust Board for approval:</p> <ul style="list-style-type: none"> • Paragraph 1.7 - To confirm it's the CEO who is the Chief Accounting Officer • Paragraph 2.1 - To change the date to 31 August 2020 • Paragraph 2.2 - The reference should read to paragraph 4.3, not 3.3 as stated. 	Completed - amended report issued 18/11/20
17/11/20: 15	<p>In terms of the pandemic audit, the Committee requested the following areas to be included in the scope of the Internal audit:</p> <ul style="list-style-type: none"> • To review if there are any additional risks from staff 	Agenda item at this meeting

	<p>working from home and how controls are working. For example, are there any risks arising on health & safety arrangements when staff are working from home when undertaking College business.</p> <ul style="list-style-type: none"> • Is the College still maintaining necessary approval and signing requirements for financial decisions. 	
17/11/20: 16	The audit strategy referred to possible areas of audit coverage in post 2020-21. It was agreed to review this in more detail at the June meeting of the Committee, when discussions take place on the internal audit plan for 2021-22.	To be an agenda item at the summer term meeting – 22/6/21
17/11/20: 18	To review at the June meeting the Internal Audit Charter referred to in the report.	To be an agenda item at the summer term meeting – 22/6/21

4. The Committee asked when the annual cycle of business for committee and Trust Board meetings will be updated to ensure full coverage of the required assurances from the Board Assurance Framework (BAF). The Clerk confirmed the annual review of the BAF is scheduled for the summer term meeting and that the review will include making available the cycle of business with clear links to the BAF to ensure full coverage.

AUDIT PROGRESS CHECK

5. The report '*Audit Progress Check*' on previous audit action points raised by both the internal audit service and external audit service was received. The report provided an update on the implementation of agreed management responses.

6. It was confirmed the two audit 'Medium' recommendations from the internal audit service are still work in progress with a revised target date for completion of 31 August 2021. The two recommendations made were as follows:

- The College to implement an automated data feed between the registers and the ILR data to ensure that all actual end dates are updated on a real time basis.
- The College to implement an automated solution to ensure that start dates are continuously updated to account for any changes to learning aim start dates.

7. It was reported the design of the automation process has been more complicated than anticipated and therefore, work is still on-going. Furthermore, the team have prioritised the enablement of remote learning during the Covid response. A progress update to be made available at the June meeting.

8. It was confirmed the one action point arising from the audit of the Financial Statements – to add to the Financial Regulations a list of those purchases that do not

require a Purchase Order – was considered and agreed at the recent meeting of the Finance Committee with final approval to be sought from the Trust Board when it meets later this term.

9. It was **RESOLVED** to note the report.

INTERNAL AUDIT

10. Two reports were received from MacIntyre Hudson, the College's internal auditors, and these were introduced by Chris Rising:

- Pandemic Planning & Learning
- Risk Management & Board Assurance

(i) Pandemic Planning & Learning

11. The audit report was very positive and the report confirmed the following opinion of the internal audit service:

Reigate Learning Alliance has established effective arrangements for responding to the pandemic, not only in respect of managing the delivery of education but also in taking the opportunity to consider how some of its current processes for education delivery and employer engagement can be enhanced. This has included the introduction of online learning facilities but also the development of some innovative approaches for engaging with industry, potential employers and universities.

*In our opinion the Board can take **Substantial Assurance** over the effectiveness of controls in place to manage the risks associated with this area. No significant weaknesses in the design or application of controls were identified.*

12. The report made no recommendations.

13. The Committee welcomed the report and placed on record thanks to the Executive and all staff for their quick and professional responses in dealing with the ramifications arising from the Covid-19 pandemic and government announcements for the education sector, many of which were made at very short notice.

14. The Committee asked if any lessons had been learnt from the pandemic and, in particular, were College protocols working effectively when staff were working from home? On health & safety, the Chief Executive confirmed he sought external guidance on the risk of any industrial injury claim should a member of staff have an accident at home whilst working on College business, with confirmation given the College could be liable in the event of any injury that took place at home whilst working on College business. The protocol for addressing any back issues whilst working on computers has been successfully transferred into the home environment by allowing staff to take home the chairs that were made available to them following the risk assessment conducted in the College. In terms of the signing-out and signing-in of College equipment, it was confirmed this has worked well. Another example given on where College protocols worked well at home were the protocols on safeguarding. Staff recorded all 'Team' sessions held with students and followed the guidelines issued on the use of 'Teams'. It was confirmed there have been no issues maintaining necessary approval and signing requirements for financial decisions.

15. The Chair thanked the Chief Executive for these examples.

(ii) Risk Management & Board Assurance

16. An audit of Risk Management and Board Assurance Framework was undertaken as part of the Internal audit plan for 2020/21. The issued report confirmed the following opinion of the internal audit service:

Our audit has concluded that the College has in place a defined framework for risk management and assurance which helps to ensure that risks are subject to regular scrutiny and review across the board and its main committees with a regular process of check and challenge operating within each committee meeting in line with good practice. Whilst no areas of significant weakness were identified as part of our audit there are a small number of opportunities for enhancements to be made to the current arrangements in line with best practice identified elsewhere. Such enhancements include the use of a cause-and-effect process to describe risks and for the assurance framework to include the results of assurances once received to allow the impact of such assurance to be considered on the College's overall risk environment.

*Taking account of the issues identified, in our opinion the Board can take **Substantial Assurance** over the effectiveness of controls in place to manage the risks associated with this area. No significant weaknesses in the design or application of controls were identified.*

17. The report made four 'Low' recommendations, and although there were no management responses due to the report only being made available last Friday, management confirmed they accepted the recommendations made. These being:

- The College should adopt a cause-and-effect approach to the description of risks faced by the organisation.
- The assigning of overall responsibility for risk management should be changed from the Risk Champion to the Board and either the Principal or Chief Executive.
- The risk impact assessment template will be modified to include a risk assessment in respect of the risks to people / safety.
- The assurance section of the assurance framework should be enhanced so that the results of assurances received can be recorded which would enable the impact of such assurances on the overall risk environment of the college to be considered.

18. The auditor made specific reference to the good practice of engaging all committees in the oversight and monitoring of risks and seeking levels of assurance. The BAF adopted by the Trust was well thought out, well established and a good example of effective management of risk. The Committee welcomed the positive feedback received.

19. It was agreed for management responses to be added to the report, with target completion dates, and for the updated report to be made available to Committee members.

20. It also agreed to receive at the June meeting the updated '*Board Assurance Framework, Risk Management Action Plan and Risk Register*' incorporating the recommendations proposed by the audit. The Committee asked for the changes to be tracked for ease of reference.

21. It was **RESOLVED** to note the two audit reports.

(The Internal Auditor left the meeting at this point).

SCHOOL RESOURCE MANAGEMENT SELF-ASSESSMENT CHECKLIST

22. The completion of the checklist is a mandatory requirement of the funding agency (ESFA), now in its second year of operation. The checklist asks a number of questions in six areas of resource management to help provide assurances that resources are being managed effectively.

23. The Committee noted that most responses given were a short confirmation 'Yes' and asked if there was any requirement to provide the funding agency with any evidence to support the confirmations given in the checklist? In response, it was confirmed supporting evidence is not required to be made available when submitting the completed questionnaire, but assurances were given that the evidence base is available should any request be made by the funding agency to access it.

24. One exception to the affirmations was question 36. Does the trust compare its non-staff expenditure against the DfE recommended national deals to ensure you are achieving best value for money? The Director of Finance explained that when this had been considered in the past it had been found that the contract tender process for accessing DfE recommended deals was quite onerous and timings were a challenge. It was however agreed by the Committee that the use of this approach should be routinely considered as an option when contracts are renewed.

25. It was **RESOLVED** to approve the completed checklist and to recommend the Chair of the Trust Board to sign on behalf of the Trust.

REVIEW OF THE RISK MANAGEMENT & BOARD ASSURANCE FRAMEWORK 2020/21

26. The Risk Management & Board Assurance Framework has the following actions for the Audit Committee:

- To review at each meeting the Board Assurance Framework, Risk Management Action Plan and the Risk Register; and
- To receive confirmation of the outcomes of assurance assessments conducted by the committee meetings held prior to the Audit Committee - currently the Local Governing Body and Finance Committee.

27. To this end, the following reports were presented to the Committee:

- (i) Board Assurance Framework; Risk Management Action Plan and the Risk Register 2020/21
- (ii) Summary of the outcomes of assurance assessments conducted by the committee meetings held prior to the Audit Committee - the Local Governing Body and Finance Committee

28. It was agreed that the findings from the review conducted by the Internal Audit Service on the '*Board Assurance Framework, Risk Management Action Plan and Risk Register*' should be reflected in the document.

29. The Committee asked on the progress being made in completing the Trust's Strategic Plan. In response, it was confirmed this is being led by the Chair of the Trust in conjunction with the Chief Executive. The Committee considered whether any other changes to the Risk Register were required and agreed that there were none.

30. It was noted that the Risk Champion has left the organisation and selection of a suitable successor is underway.

31. The Local Governing Body made the following assurance assessments on the reports received and reviewed at its meeting held on 09 February 2021:

Agenda item	Subject	RAG rating	Any Committee Recommendation(s)
5(i)	Ofsted	Green	No concerns/no recommendations
5(ii)	GDPR	Green	No concerns – recommendation made to make the presentation available to the March Trust Board meeting
5(iii)	Safeguarding Update	Green	No concerns – suggestions made on how to add more information to future reports
8	SAR Development Plan	Green	No concerns/no recommendations other than the action point to track new updates
8	HE Provision	Green	No concerns/no recommendations
9	Student Voice	N/A	No assessment possible due to the absence of the student governors
10	Staff Voice	Green	No issues raised

32. The Finance Committee made the following assurance assessments on the reports received and reviewed at its meeting held on 02 March 2021:

Agenda item	Subject	RAG rating	Any Committee Recommendation(s)
6	Management Accounts	Green	No concerns/no recommendations
7	Reconciliation Statement	Green	No concerns/no recommendations
8	Financial Regulations	Green	No concerns/no recommendations
9	Charging & Remissions Policy 2021-22	Green	No concerns/no recommendations
10	Review of Contracts	Green	No concerns/no recommendations

33. It was **RESOLVED** to note the reports.

COMMITTEE'S BOARD ASSURANCE ASSESSMENT

34. The Board Assurance Framework (BAF) requires each Committee to conduct at the end of the meeting an assessment on their level of assurance agreed against each report received (including briefings and verbal updates) and for the assessment to be reported to the Audit Committee and Trust Board (Green = high assurance - no additional actions or monitoring are recommended at this point; Amber = medium assurance – a further report is likely to be required at the next meeting; Red = low assurance - additional actions are likely to be required and reported at the next meeting).

35. The following assessments were agreed on reports considered at this meeting:

Agenda item number	Paper number	Subject	RAG rating	Issues/Recommendations
6	3	Audit Progress Report	AMBER	As two action points have yet to be fully implemented, it was agreed to give an 'Amber' assessment. In making the assessment, the Committee noted the IT team had been diverted onto other pressing matters arising from the Covid-19 pandemic.
7	4	Internal Audit Report covering: Pandemic Planning & Learning	GREEN	No concerns/no recommendations
7	5	Internal Audit Report covering: Risk Management & Board Assurance Framework	GREEN	No concerns/no recommendations
8	6	School Resource Management Checklist	GREEN	No concerns. Procurement policy to be updated to reflect consideration of use of DfE schemes
9	7 8	(i) BAF, Risk Management Action Plan & Risk Register (ii) Assessments conducted by Committees	GREEN	No concerns Internal audit recommendations to be reflected in next iteration.

ANY OTHER BUSINESS

36. The Director of Finance outlined proposals for the tendering of the internal audit service as it is good practice to test the market to ensure best value is sought.

37. Made available was a list of firms currently listed on the Crescent Purchasing Consortium (CPC) framework for providing an Internal Audit Service in the South East. It was confirmed a 'S7' Sixth Form College recently used the Framework and they received three responses and were able to make an appointment.

38. It was noted the College's current Internal Audit Service are included on the list.

39. Following discussions, it was **RESOLVED**:

- (i) To inform the College's Internal Audit Service that a tendering exercise is to be conducted.

- (ii) To use the CPC framework and to make approaches to all the firms listed to see if they would be able to offer an internal audit service for the Trust.
- (iii) The Director of Finance to draw up a tender specification.
- (iv) For the Audit Committee to meet (separate to the scheduled June meeting) to conduct interviews when a short-list of no more than three firms has been agreed. and
- (v) To report the outcomes of the tendering process to the Trust Board.

40. There was no other business.

DATE OF NEXT MEETING

41. Tuesday 22 June 2021 @ 17.30.

The meeting closed at 18.40

Signed: _____ Date: _____
(Chair)

MIN REF	ACTION POINT	WHEN
3	To review any revisions to the Disaster Recovery Plan & IT Disaster Recovery Policy documents at the same time as the IT Manager is able to deal with the technical issues raised in the action point below	22/6/21
3	Discussions with the IT Manager are continuing on whether an 'Cloud-based' back up is feasible, especially as the costs appear to have come down for the service. As the IT Manager is currently tasked with other immediate priorities arising from the Covid-19 pandemic, it was AGREED to receive a progress update at the next meeting.	22/6/21
4	The annual review of the BAF, scheduled for the summer term meeting, to include making available the cycle of business for all Trust meetings with clear links to the BAF to give assurances that all required assurances listed in the BAF are scheduled agenda items.	22/6/21
7	Audit Progress Report – To receive a progress update on the two action points related to the introduction of an automated data feed and automated solution on start dates	22/6/21
19 & 20	Internal Audit Report on the BAF, Risk Management Action Plan and Risk Register: <ul style="list-style-type: none"> (i) It was agreed for management responses to be added to the report, with target completion dates, and for the updated report to be made available to Committee members. (ii) It also agreed to receive at the June meeting the updated '<i>Board Assurance Framework, Risk Management Action Plan and Risk Register</i>' incorporating the recommendations 	22/6/21

	proposed by the audit. The Committee asked for the changes to be tracked for ease of reference.	
24	A routine step of considering whether to use DfE recommended tendering facilities should be added to the procurement process.	On-going
39	<ul style="list-style-type: none"> (i) To inform the College's Internal Audit Service that a tendering exercise is to be conducted. (ii) To use the CPC framework and to make approaches to all the firms listed to see if they would be able to offer an internal audit service for the Trust. (iii) The Director of Finance to draw up a tender specification. (iv) For the Audit Committee to meet (separate to the scheduled June meeting) to conduct interviews when a short-list of no more than three firms has been agreed. and (v) To report the outcomes of the tendering process to the Trust Board. 	22/6/21