



**MINUTES OF THE AUDIT & RISK COMMITTEE MEETING HELD
11 MARCH 2024**

Present: Mr Stephen Hewes (Chair)
Ms Kate Fulker
Ms Debbie Dalzell

In Attendance: Ms Kim Saw - Director of Finance
Mr Jon Allen - Governance Professional
Mr Scott McCready - Wylie & Bisset (W&B) – Via Teams
Mr Chris Whelan - Chief Executive Officer
Mr Stuart Wilcox - Risk Champion

The meeting commenced at 17.30.

WELCOME, APOLOGIES & DECLARATIONS OF INTEREST

1 The Chair welcomed everyone to the meeting. Debbie Dalzell was welcomed to her first meeting and introductions were made. There were no apologies. There were no declared interests against any of the agenda items.

MINUTES

2. It was **RESOLVED** to approve the minutes of the Audit & Risk Committee meeting held 21 November 2023 (Paper 1).

SUMMARY ACTION LIST & MATTERS ARISING

3. The ‘*Summary Action List*’ (Paper 2) was received that reported on the following action points from the previous meeting:

MIN REF	ACTION POINT	UPDATE FOR MEETING ON 11/3/24
4	Circulate revised policies – Disaster Recovery, Bribery, and Fraud Policies, to A&R committee members	Circulated to A&R members in advance of the meeting for comment and an agenda item at this meeting.
4	The annual review of Health & Safety is required to be an agenda item at the spring term meeting of the Trust Board, including a review of the Health & Safety Policy.	Scheduled to be an agenda item at the March Trust Board meeting with confirmation received from the Governance Professional that the report will be available in the Board papers.
4	Trustees to be reminded at the December Trust Board meeting to use their college email	All trustees are now using their College email address

	address for conducting college matters.	
9	<p>Risk Management Policy – to make the following changes:</p> <ul style="list-style-type: none"> (i) To add a new section ‘Escalation Process’ to outline how risks are escalated and reported to the Trust. The Governance Professional to draft a set of words for inclusion within the policy. (ii) On the Board Assurance Framework to confirm the review of the Disaster Recovery Policy, Bribery Policy, and Fraud Policy to be undertaken at the summer term meeting of the A&R Committee. (iii) On Appendix 1, make reference that papers now make reference to the purpose of the paper, including links to the Trust’s strategic aims and any statutory/compliance requirements. 	The requested changes have been made and the Risk Management Policy 2023/24 was approved at the Trust Board meeting held 05 December 2023.
29 & 34	<p>Amendments to The Financial Statements & Annual Report:</p> <p>Minute 33: Buzzacott to consider using the phrase ‘negative assurance conclusion’ in the text ‘The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.’</p> <p>Minute 34: for a comment to be included in the Annual Report on the reasons why the College holds reserves over and above the amount set in the College’s ‘Treasury Management Policy’.</p>	The amendments were made, and the Trust Board approved the Financial Statements at the Trust Board meeting held 05 December 2023
December Trust Board meeting	A discussion took place on Risk 16 – ‘ <i>Risk of abnormally high level of mental health issues impacting negatively on the welfare of students and staff.</i> ’ It was asked if the mitigation actions were sufficient enough to warrant a change in the risk score from ‘25’ to ‘6’ post mitigation, especially as mental health issues are still very high amongst the student body? In addition, it was felt a lot of the mitigation actions listed were not subject to review and updating, with some actions being in place for a considerable amount of time. The suggestion made was for mitigation actions to be dated and, where appropriate,	To discuss at today’s meeting the points raised at the Board meeting when the Committee reviews the Risk Register.

	with data sources listed. It was AGREED to refer the points raised to the Audit & Risk Committee for further consideration.	
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AUDIT PROGRESS CHECK

4. The '*Audit Progress Check*' report was received (Paper 3).
5. It was confirmed the two audit recommendations arising from the Health & Safety audit report, a later agenda item, will have been fully implemented by the March Trust Board meeting.
6. There was a total of five recommendations (4 medium and 1 low) arising from the financial audit on the year-end accounts 2022/23 undertaken by Buzzacott, the College's financial auditor.
7. The recommendation related to payroll authorisation will be implemented from March 2024 with the Executive Principal counter-signing the March payroll report and will sign-off payroll reports thereafter.
8. The recommendation related to the annual review of the fixed assets register and the review of depreciation rates remains on-going with an implementation date of August 2024.
9. The recommendation on fund accounting cannot be fully addressed as the split of income and expenditure into the relevant funds is carried out manually as the SAGE accounting system used by the College does not support fund accounting. Assurances were sought, and received, that this has no impact on the financial statements and that there is an audit trail to show manual adjustments are undertaken. The Committee agreed to accept the risk as there is a manual process in place with an audit trail with no impact on the annual financial statements.
10. The final 'medium' recommendation related to the need to have in place a process for the annual review of the Trust's Scheme of Delegation that covers the governance framework, roles and responsibilities. The Governance Professional confirmed the annual review has been added to the annual cycle of Board business, with the review scheduled to take place annually at the September Trust Board meeting.
11. The 'low' recommendation on cyber essentials remains on-going with an implementation date of December 2024. The Trust is not currently Cyber Essentials certified although management are in the process of obtaining certification. It was agreed to achieve certification in time for confirmation of certification to be recorded in the Audit & Risk Committee's Annual Report to the Trust Board in December.
12. The Audit & Risk Committee were assured that good progress is being made on addressing all outstanding audit recommendations.
13. It was **RESOLVED** to note the report.

INTERNAL AUDIT

14. Two internal audit reports were available for the Committee to review, these being:

- Safeguarding Report (Paper 4)
- Health & Safety Report (Paper 5)

Safeguarding Report:

15. The purpose of the review was to assess whether the Trust's systems and procedures for safeguarding are fully compliant with legislation and the Trust are taking all necessary steps to protect its students. The review sought to provide assurance to the Trust, via the Audit & Risk Committee, that the safeguarding and prevent arrangements are adequate and in line with best practice.

16. The report gave a 'Strong' assurance (the highest assurance rating possible) and the following assessment from the auditors was noted:

Following our review, we can provide the Trust with an overall strong level of assurance surrounding the controls in place for safeguarding in relation to legislation and that the Trust are taking all necessary steps to protect its students. This is further highlighted as we have raised several good practice points and have not raised any recommendations for improvement.

17. The Committee noted and welcomed the 'strong' assurance.

Health & Safety Report:

18. The purpose of the review was to ensure that the risks surrounding the health and safety arrangements in place at the Trust are appropriately managed and controlled. The review sought to provide assurance to the Trust that the health and safety arrangements are operating effectively.

19. The report gave a 'Strong' assurance on the Trust's health and safety arrangements and the report noted examples of good practice. However, the report raised two medium grade recommendations to improve on the current practices in place.

20. The Trust has an agreement in place with their health and safety consultant Howlett who complete bi-annual safety, health, and welfare workplace inspections. However, the last inspection report was dated December 2019. The report recommended the Trust ensure the November 2023 inspection goes ahead and any areas of non-compliance are highlighted and addressed. Management response confirmed that after the delay caused by COVID, bi-annual inspections have now been re-instated from November 2023.

21. The Trust should annually provide an annual Health and Safety Report to the Trust Board. However, due to covid, the last report to the Trust Board was dated September 2021. Management response confirmed the annual Health & Safety Report for 2022/23 is an agenda item at the March Trust Board meeting and, will would be made available annually thereafter.

22. The Committee noted and welcomed the 'substantial' assurance.

23. It was **RESOLVED** to note the two internal audit reports.

SCHOOL RESOURCE MANAGEMENT SELF-ASSESSMENT CHECKLIST

24. The completed self-assessment checklist (Paper 6) was circulated to Committee members for comment and review in advance of the meeting, as the deadline date for submission to the ESFA is 14th March.

25. It was confirmed the completion of the checklist is a mandatory requirement of the funding agency (ESFA) and is now in its fifth year of operation. The checklist asked questions in six areas of resource management to help provide assurance that resources are being managed effectively. It was noted there were no material changes to previous submissions made by the College.

26. It was **RESOLVED** to approve the completed checklist.

COMMITTEE BOARD ASSURANCE ASSESSMENTS

27. The Local Governing Body made the following assurance assessments on the reports received and reviewed at its meeting held on 29 January 2024 (Paper 7):

Agenda Item	Subject	RAG rating	Any recommendation(s) or action(s) arising from discussions on the agenda item; Any comment(s) on the quality of the paper(s)/presentation(s) made available for the agenda item.
6	Skills Agenda	GREEN	No recommendations
7	Development Plan	GREEN	No recommendations
8	Curriculum Development	GREEN	No recommendations
9	Student Voice	GREEN	No recommendations
10	Staff Voice	GREEN	No recommendations

28. The Finance & Resources Committee made the following assurance assessments on the reports received and reviewed at its meeting held on 20 February 2024:

Agenda item	Subject	RAG rating	Any Committee Recommendation(s)
6	Management Accounts	Green	No concerns/no recommendations
8	Financial Regulations	Green	No concerns/no recommendations
9	Charging & Remissions Policy 2024/25	Amber	Examination fees to be finalised for inclusion in the policy.
10	Review of Contracts	Green	No concerns/no recommendations

29. The Governance Professional confirmed examination fee charges have been finalised and are now included in the 'Charging & Remissions Policy 2024/25,' and the Trust Board will be asked to approve the policy at its meeting on 19th March.

30. It was **RESOLVED** to note the board assurance assessments undertaken by both the Local Governing Body and the Finance & Resources Committee.

RISK REGISTER 2023/24

31. Received for review was the current version of the '*Risk Register 2023/24*' (Paper 8).

32. It was confirmed four risks were outside the agreed tolerance parameters.

33. The first related to the recruitment of teaching staff which remains an area of high risk (Risk 4). The shortage of people applying to PGCE courses remains a problem and there is no sign of this improving. For 2021-2022 the number of new entrants to teacher training was 82% of the target. The quality of applicants has also declined. The College continues to invest in its own teacher training programme and to pay slightly higher than the national average for SFCs. The Committee agreed for this risk to remain outside of tolerance.

34. The second risk (Risk 7) related to the drafting of the strategic plan. As a strategic plan has been approved and is in place for the College and, with the Annual General Meeting agreeing the strategic direction of the Trust to remain as a single entity within the Multi Academy framework with the strategic focus remaining on partner schools, it was agreed Risk 7 is no longer outside of tolerance and to amend the scoring of this risk to '3x1'.

35. The third risk related to the DfE announcement on vocational qualification reforms (Risk 19). As the proposed vocational qualification reforms, if implemented, would have a significant impact on the College, in terms of availability of BTEC qualifications, it was agreed to add this risk to the Risk Register. It was reported that the DfE has since pulled back on some of the reform proposals, thus reducing the impact on some BTEC qualifications. However, it was agreed for the risk to remain outside of tolerance until final reform details are published.

36. The fourth risk (Risk 16) related to risk of abnormally high level of mental health issues impacting negatively on the welfare of students and staff. At the December Board meeting it was asked if the mitigation actions were sufficient enough to warrant a change in the risk score from '25' pre mitigation to '6' post mitigation, especially as mental health issues are still very prevalent amongst the student body? It was also felt a lot of the mitigation actions listed had not been subject to review and updating, with some actions being in place for a considerable amount of time. The suggestion made was for mitigation actions to be dated and, where appropriate, with data sources listed. It was agreed at the Trust Board meeting for these points to be subject to further discussion by the Audit & Risk Committee.

37. The committee noted and welcomed the dating and updating of the mitigation actions to address Risk 16. It was noted that dates given are dates of the introduction of mitigation measures which are then repeated in the current period. The Committee noted the post mitigation score has been increased from '6' to '9'. The Committee was in agreement the post mitigation score should reflect the good work being taken by the College to lessen the impact of the risk, as reflected in the recent internal audit report, but for the risk to remain outside of tolerance, as the risk requires continuous scrutiny and monitoring. The Committee was therefore assured on the post mitigation score of '9'.

38. It was agreed the risk relating to payroll (Risk 20) is now dormant, as the transfer to the new payroll provider has been completed with no material impact on payroll runs.

39. It was agreed the risk relating to Covid is now dormant (Risk 17).

40. The Committee requested for updates to either be coloured in a different colour to grey or to be presented in italic print to enable changes to be more readily seen.

41. The Committee was informed the College recently had two cases of scarlet fever amongst the student body and, as a result, had to follow DfE reporting guidelines, as DfE guidelines have to be followed when there are two or more cases. Letters of guidance were issued to all parents and, as a result of increased awareness, there were four additional cases brought to the attention of the College. Against a cohort of some 3,000 students, the number of cases were in line with community reporting on cases of scarlet fever. A discussion took place on whether the risk around scarlet fever and or other infectious diseases should be added to the risk register. As there was in place DfE published guidelines for reporting on scarlet fever cases, and as there was no risk of a College lockdown, it was agreed there was no immediate need to add this risk to the risk register, but to keep the Committee informed on any future reporting from the College to the DfE.

42. It was **RESOLVED** to note the '*Risk Register 2023/24*'.

DISASTER RECOVERY, BRIBERY, AND FRAUD POLICIES

43. Following updates agreed at last Audit & Risk meeting, revised policies were circulated to Committee members for review and comment (Paper 10). It was confirmed the next scheduled review of these policies is due at the summer term meeting. However, as the policies have been subject to review at both this and the last meeting, to defer the next review date to the summer term meeting in 2025. The dates on the cover pages of the policies are to be updated accordingly.

44. The annual review of College statutory policies is scheduled for the summer term meeting. It was agreed to ask committees to review, at their summer term meeting, those statutory policies that fall within the remit of their terms of reference, and to report the outcomes of their review to the Audit & Risk Committee.

45. It was agreed at the next meeting of the committee to review the College's complaints policy.

AUDIT & RISK COMMITTEE'S BOARD ASSURANCE ASSESSMENT

46. 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.

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

Agenda item number	Subject	RAG rating	Issues/Recommendations
6	Audit Progress Report	Green	No issues/No recommendations

7	Internal Audit Report – Safeguarding	Green	No issues/No recommendations
8	Internal Audit Report – Health & Safety	Green	No issues/No recommendations
9	School Management Resource Checklist	N/a	Not applicable
10	BAF Assessments conducted by Committees	Green	No issues/No recommendations
11	Risk Register 2023/24	Green	No issues/No recommendations
12	Disaster Recovery, Bribery, and Fraud Policies	Green	No issues/No recommendations

MEETING REVIEW

48. The Committee was asked if there were any new risks including safeguarding identified as a result of decisions made at this meeting that might impact upon the College’s effectiveness. It was agreed no such issues or risks were identified.

ANY OTHER BUSINESS

49. The CEO informed the Committee that an external review on the progress made since the last Ofsted inspection has just been completed. The external review was carried out by the HMI who was part of the inspection team, and the report is due to be received by the end of this week. The CEO confirmed a full update would be made available at the March Trust Board meeting.

50. A discussion took place on whether the Risk Champion is required to attend every meeting of the Committee. It was agreed attendance was not required at every meeting and, instead, the Risk Champion would be invited to attend as, and when, required.

DATE OF NEXT MEETING

51. Tuesday 18 June 2024 @ 17.30.

The meeting closed at 18.45

Signed: _____ Date: _____
(Chair)

MIN REF	ACTION POINT	WHEN
11	Cyber Essentials - The Trust is not currently Cyber Essentials certified although management are in the process of obtaining certification. It was agreed to achieve certification in time for confirmation of certification to be recorded in the Audit & Risk Committee's Annual Report to the Trust Board.	November 2024
40	Risk Register - Committee requested for updates to either be coloured in a different colour to grey or to be presented in italic print to enable changes to be more readily seen.	18/6/24
43	Disaster Recovery, Fraud & Bribe policies - the next scheduled review of these policies is due at the summer term meeting. However, as the policies have been subject to review at both this and the last meeting, to defer the next review date to the summer term meeting in 2025.	18/6/24
44	The annual review of College statutory policies is scheduled for the summer term meeting. It was agreed to ask committees to review, at their summer term meeting, those statutory policies that fall within the remit of their terms of reference, and to report the outcomes of their review to the Audit & Risk Committee.	18/6/24
45	It was agreed at the next meeting of the committee to review the College's complaints policy.	18/6/24