*Items 5 (part of) and 10 of these minutes are deemed to be CONFIDENTIAL by virtue of Instrument 14(4) and 16(2) as they contain business sensitive. These minutes are <u>not</u> available for public circulation and are held separately by the Director of Governance / Clerk.*

## MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD ON WEDNESDAY 16 MARCH 2022

**Present**

| | |
|---|---|
| Dolly Agoro | Governor |
| Antony Ball | Governor |
| Greg Clarke | Governor |
| Peter Grant | Governor |
| Preetha Kumar | Co-opted member |
| Paul Pascoe | Co-opted Member |
| Lee Tillman | Governor |
| Lee Walker | Governor |

The quorum for the meeting was four Members.

**In attendance**

| | |
|---|---|
| Barrie Shipley | Chief Finance Officer |
| Jo Garrison | Director of Governance / Clerk to the Corporation |
| Lisa Smith | RSM |
| Jason Wilkinson | Chief Information Officer |

The meeting was held on MS Teams and commenced 4.32pm.

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|---|---|---|

**1    Apologies**

Apologies for absence received from Rob Barnett, RSM.

**2    Declarations of Interest**

Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion.

**3    Minutes of a meeting of the joint Audit & Risk / Finance and Resources Committees held on 6 December 2021 and any matters arising**

The minutes were agreed as a true and correct record and signed by the Chair.

06/12/21 Item 4 – Action completed
06/12/21 Item 6 – Action completed
11/10/21 Item 18 – Action completed
06/12/21 Item 9 – RSM will present the draft audit plan at the next week on 08 June 2022.
P Kumar requested a completion date be added to the actions column to enable members to monitor.

DoG

*L Tillman joined at 4.34pm*

Members noted typographical revisions to the minutes and the recirculation for accuracy. P Pascoe noted that G Clark had requested a regular update on

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sustainability, B Shipley assured members this action was taken forward and that a regular update will be presented at the F&R committee.

P Pascoe enquired if the NHS had signed the rental agreement and B Shipley confirmed this had been completed.

*P Grant joined at 4.40pm*

**4** **Audit Recommendations and Actions (Composite report)**

B Shipley informed members the audit recommendations and actions were for information only.

*P Pascoe left the meeting at 4.45pm*

B Shipley assured members significant progress of completed actions has taken place, with 68% of the actions now completed. There are several open or not completed actions. Of 96 actions only 20 are overdue and none are high priority actions. Members were informed some of those actions are due to staff absences or the need to realign actions to identified staff members. Assurance that actions are managed and tracked with the leadership team and wider teams regularly. There are a few legacy data actions that link to the student travel policy which date back to 2017. Members were assured these are low priority. L Walker asked that the legacy actions be reviewed and whether still valid given the time of no completion.

*D Agoro joined the meeting at 4.49pm*

L Walker commented that whilst specific controls recommended in the audit may not have been put in place, assurance could be given that other mitigations are, or have been, put in place to effectively supersede the recommendation. B Shipley assured members he expects to see a continuation of completed actions in the next quarter.

P Kumar enquired as to the ratings of actions and due dates. L Smith advised members that RSM undertake advisory reviews for the group and recommended actions from these reviews are not assigned a priority. However, these recommendations continue to be tracked for implementation, with commentary on progress included within the tracker.

L Smith said the next follow-up review was scheduled for June and RSM would support the cleansing exercise to identify actions that are closed. She confirmed it was a requirement all colleges had Cyber Essentials Plus from 2021/22 funding year.

**5** **Risk Management / Assurance Status Report**

B Shipley informed members the report was for information and highlighted some key areas.

Members were informed about the current main risks, which tend to be around the financial impact. There has been some good progress in terms of performance against AEB allocation, but it is thought to be a little too early to reduce that risk, but the direction of travel is looking more positive in terms of delivering against allocation for the current academic year.

HE continues to be a challenge both from a retention perspective and from a financial perspective, which is why the risk has not been reduced. Recruitments are slightly ahead for next year and this needs to translate into enrolments. The current planning is for a relatively flat recruitment in HE for 2022-23.

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The other two main risks are around digital legacy equipment and the potential increase of a cyber-attack. Members were informed that penetration testing projects have been conducted to identify risk areas. Members were also informed the risk of staff recruitment in business services and curriculum departments remains high and this is a national shortage and the rising issue of pay terms and conditions for staff given the cost of living and increase of National Insurance from April. Members were reminded of the job evaluation process the group is looking to transition to with a consistent pay structure since merger. B Shipley again highlighted the challenges of the current environment and inflationary pressures nationally.

Members were informed the risk is reducing around the impact of Covid and the relaxation of government measures. The H&S team continue to monitor the number of positive cases. Spikes in cases were usually in a contained area.

J Wilkinson informed members he had provided a detailed update at the December meeting for the Digital risk and apologised that the latest version of the risk register which demonstrates the significant improvements had not been circulated. It was agreed the B Shipley and J Wilkinson would review the risk register and circulate to members to provide assurance of the progress made.

**BS / JS**

J Wilkinson informed members that the group has cyber essentials accreditation, but not cyber essentials plus, and there was an aspiration to achieve ISO 27000 with the realistic desire to implement over the next 12 to 18 months. Members were assured this would align risks to applicable controls and mitigations to provide further security and assurance.

*P Pascoe re-joined the meeting at 5.19pm*

L Tillman noted the challenges that J Wilkinson had outlined and felt assured that the Digital IT Strategy should address these. J Wilkinson commented that some elements of the infrastructure had not been tested for over 20 years and staff were not equipped for testing and the team has now been strengthened to address these risks. Members were also advised some of the risks are nationally recognised within the sector.

**LS/BS**

P Grant asked whether some of the risks, such as HE numbers, were a local or national problem, that the group had little influence on. B Shipley said that some universities had reduced entry levels and were targeting students that would attend DNCG. It is too early to see if this is a short term issue. The pay issue is national and SLT were having conversations around how much support could be provided to staff.

Members discussed the current threat of attacks due to the global political issues with Russia and the Ukraine and the central source of cyber-attacks which had now heightened. J Wilkinson informed members of the testing and raising of staff awareness that is undertaken regularly.

L Walker suggested that the Board be updated on the monitoring of IT risks and ongoing IT infrastructure developments by the Audit & Risk Committee to provide a full update and assurances of the work J Wilkinson's teams are undertaking.

P Kumar enquired if there was any single point of failure across either site. J Wilkinson assured members this was not the case. Members discussed the servers and the network cabling for each site and the historical issues that the team are working on with the Estates team to try and course network diagrams and cabling etc. Members were advised this may be an area of some unknowns that historically cannot be resolved.

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Members were assured the IT Strategy and balance scorecard will manage the risks and ensure robust mitigation is carried out. J Wilkinson advised members that the risks are captured under a blanket of risk of disruption to the organisation.  Members were also informed that the penetration testing whilst issues were found, the likelihood of penetration was low with the security measures in place across the group. J Wilkinson also assured members of the new in-house training the IT teams are undertaking to improve the robustness and expertise of staff.

**6**      **Internal Audit Progress Report**

L Smith presented the internal audit progress report. Members were informed four reports have been finalised since the last meeting. These are Continuous Assurance, Academic Quality, Risk Management, and Higher Education Retention and Support.

The Continuous Assurance report looked at ten agreed control areas across the whole group and identified four areas of non- compliance.  The four areas related to Safeguarding and Prevent training for new members of staff and DBS checks for safer recruitment not necessarily being undertaken for new starters prior to their start dates.  Also, making sure staff were setting smart targets for students which were continually recorded and monitored.  Similarly, student attendance. L Smith informed members these areas are consistent themes from the previous Continuous Assurance reviews.

In relation to the Academic Quality report the overall framework is very well designed, and members were informed of a small number of areas for improvement. These were in relation to making sure that tutor reviews are being actively recorded within the Pro Observe system. It was agreed one low priority action in relation to escalation. Also, recognition that the Learning Enhancement team make sure that those actions are implemented and monitored in relation to risk management

In relation to the Risk Management report, members were assured that the group has a consistent understanding of how to escalate risks and the process is for continuous review, challenge, and updates.  Two areas were identified and agreed low priority actions with management.  Members were informed there were some housekeeping risks which relate to documenting the roles and responsibilities of the governing body that is responsible for those risks identified on the register.  The second was to improve the cover reports presented to governors. Members questioned whether this should have been assigned a low priority given the importance of reporting to governors and were assured that the recommended action would be actioned quickly.

In relation to the HE Retention and support report, L Smith discussed the improvements to the draft recruitment and marketing plan and the keep warm materials are to cohort specific.  Areas were identified that seem to target more mature students for people returning to education, rather than people wanting to progress from FE into HE and the need to ensure the wealth of data being collected at student recruitment is being used effectively to drive future marketing activities.

P Pascoe enquired if L Smith was suggesting the consideration of updates to IT online forms as an example for the HE team.  L Smith assured members RSM are not saying the current marketing and recruitment process is ineffective, just recommendations of continuous improvements. B Shipley added the desire to increase the group's market share and student numbers.  Discussions are underway with regards to the recruitment cycle and a more personal touch to interventions rather than email tracking applications and automated systems.

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Members discussed the intelligence and effective targets with the right resources in place to enable increased recruitment. Members noted the importance of maximising opportunities.

**LS**

A Ball asked L Smith to advise further around the safeguarding and the percentage sample whilst on site and any common trends around why training was not completed timely. Members were advised the population sample size was not known but L Smith advised she would circulate the information. L Smith did assure members that in some cases, staff had left before the end of their probationary period and not had time to start the training and in some cases probationary periods extended.

**BS**

Members were assured DBS checks were valid but there was no evidence in some cases to assure this had been completed prior to the individual start date. L Walker echoed A Ball's question and raised with B Shipley whether the three months target date for completion of induction training could be shortened. B Shipley will address with the CPO and update at the next meeting. He further added there is now a dedicated compliance officer that looks after the DBS checks to ensure statutory compliance.

## 7    Support Areas Autumn Term Update Reports

### Health & Safety

Members were updated with the key points from the autumn term Health and Safety update. A lot of the focus has been on the pandemic. Cases have been relatively low and isolated to specific areas which has impacted on operations. Numbers of testing were also low for students when compared to national figures. The group is following current government guidance and also engaging with the local health authorities. The group has had test centres on campus which has helped in terms of mitigating the spread and impact on people.

All statutory requirements not related to the pandemic are compliant. The reporting did not include prior year comparatives given the low reporting due to lockdowns in previous years, but this would be re-visited to provide some form of trend data. B Shipley to review how the reports can be enhanced in areas such as behaviours that result in accidents or incidents, including incidents of damage to vehicles in car parks.

**BS**

P Pascoe enquired if the incident relating to potholes on site had been addressed. B Shipley confirmed known potholes are marked with yellow paint, but the incident was in the middle of the car park and not as easy to mark as pathways can be. From an insurance point of view the group has accepted liability. B Shipley further added some of the Estates work will address the situation at North Lindsey and some areas identified are being repaired.

A Ball raised concerns of external abstraction from Doncaster site, and students not being able to exit the building due to the swipe card accessibility. J Wilkinson informed members an activity had been undertaken in certain areas of Doncaster due to a high volume of students accessing areas that should not have been accessible.

G Clarke raised concern over the number of accidents from September through to December, noting these seemed high in two areas. He enquired whether there was a need to raise awareness and, whilst noting these are minor accidents, are staff and students having regular awareness training to provide assurance that the college is a safe environment. Members were assured that the Health & Safety team carry out inductions with staff and students and refresher courses are completed at regular intervals. B Shipley advised members he would raise this with the team and obtain further assurance for the next meeting.

**BS**

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**Procurement**

B Shipley updated members on the value of procurement obtained from Tenet and that he has explored the possibility of in-house procurement with a view to save costs.  It was felt overall the service provides good value for money and the added value of support from within the wider Tenet group, in terms of the ability to scale up or down resources as required.

**8      Link Governor Report**

No link governor reports were presented.

**9      Governance QIP and Emerging Risks**

The DoG informed members no further risks had been identified for the QIP and the QIP will be updated with a Term 2 closing position statement after the Easter period. This will be reviewed by the Chair and Vice Chair of the committee, along with the lead SLT member.

**10     Any Other Business**

The DoG asked members to consider attendance for the external audit tendering activity and inform the governance team of their availability. The dates of the tender process are 20 and 21 April.  To date two members are available each day and P Pascoe advised he could attend both, if necessary.

*L Smith left the meeting at 6.30pm*

This rest of this item is considered confidential and kept as a separate record by the Director of Governance.

**11     Date and Time of Next Meeting**

The next meeting of the Audit & Risk Committee is scheduled for Wednesday 8 June 2022.

The meeting closed at 6.46pm

**Jo Garrison**
**Director of Governance / Clerk to the Corporation**

**Signed: ………………………………… (Chair)          Date: …………………….**

| TABLE OF ACTIONS | | | | |
|------|--------|--------|--------|--------|
| **Date** | **Minute** | **Action** | **Responsibility** | **Due Date** |
| 06/12/21 | 9 | Present draft audit plan | L Smith | 08/06/22 |
| 16/03/22 | 3 | Revised minutes from 06 Dec 21 and recirculate for accuracy. | DoG | 08/06/22 |
| | | Agreement to add column to actions to capture completion dates | DoG | 17/03/22 |
| 16/03/22 | 4 | Revise and recirculate audit recommendations and action tracker | B Shipley/J Wilkinson | 08/06/22 |

| 16/03/22 | 4 | Data cleansing activity of risk actions | L Smith / B Shipley | 08/06/22 |
|----------|---|---------------------------------------|---------------------|----------|
| 16/03/22 | 5 | Recommendation to update the board on the IT In-depth review and the development work of the IT department | J Wilkinson | 06/07/22 |
| 16/03/22 | 6 | Circulate Safeguarding sample size and common trends of non-completion of training | L Smith | 08/06/22 |
| 16/03/22 | 6 | Suggest to CPO shorter on boarding training timeframe for safeguarding and safer recruitment process, update at next meeting | B Shipley | 08/06/22 |
| 16/03/22 | 7 | Review H&S comparisons to strengthen report | B Shipley | 08/06/22 |
| 16/03/22 | 7 | Obtain further H&S safety assurances of induction and awareness for next meeting | B Shipley | 08/06/22 |