

**MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD ON WEDNESDAY 8 JUNE 2022****Present**

Dolly Agoro	Governor
Greg Clarke	Governor
Peter Grant	Governor
Paul Pascoe	Co-opted Member
Lee Tillman	Governor

The quorum for the meeting was four Members.

**In attendance**

Barrie Shipley	Chief Finance Officer
Jason Wilkinson	Chief Information Officer
Lisa Smith	RSM
Rob Knowles	RSM
Ryan Falls	Cavanagh Kelly
Claire Houlden	Executive Governance PA (Minutes)

The meeting was held at Doncaster College and via MS Teams and commenced 5.30 pm.

<b>Item</b>	<b>Minute</b>	<b>Action</b>	<b>Due Date</b>
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**1 Apologies**

Apologies for absence had been received from Lee Walker, Antony Ball, Preetha Kumar.

In the absence of L Walker, G Clarke chaired the meeting.

G Clarke introduced Ryan Falls from Cavanagh Kelly, DNCG's newly appointed external auditors. R Falls said he was a Partner in the company who had 3 offices within Northern Ireland. They work with the education authority in the province.

**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 and Confidential Minutes of a meeting of the Audit & Risk Committee held on 16 March 2022 and any matters arising**

External and internal auditors left the meeting.

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

**Matters Arising**

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Item 3 – a column for the date actions were due had been added to all minute templates. The minutes of the meeting held on 6 December had been revised and recirculated.

Item 4 – the audit recommendations tracker had been recirculated and was on the agenda for the meeting.

Item 6 – B Shipley had discussed a shorter time frame for new members of staff completing mandatory training with the CPO. She still feels 3 months was appropriate but will continue to review with the aim of reducing.

Item 7 – further context to the number of accidents had been provided in the Health & Safety report at item 9.

Comparative data for term 1 accidents had been reviewed and shows this year's figures are down on previous years. Health and safety training is provided to students in high-risk areas during induction.

J Wilkinson had worked with N Mell, Health & Safety Manager, and the Academic Services team to migrate induction training onto internal platforms. This has enabled the training to be more localised. Materials for all mandatory training will be moved to one platform. Third party providers are to be approached to allow access to course content. This will save money and make reporting easier.

**Confidential Minutes of the Meeting held on 16 March 2022**

The confidential minutes of the meeting held on 16 March 2022 were agreed as a true and accurate record. The action at item 5 will be considered as part of the Risk Management agenda item.

**4 Confidential minutes of the Extra Joint Audit & Risk / Finance & Resources meeting held on 19 May 2022**

P Pascoe asked whether the dates of appointment for Cavanagh Kelly (2021/22, 2022/23 and 2023/24) were correct. B Shipley confirmed that although they had been appointed late, Cavanagh Kelly would be auditing based on the full year and will undertake assurance work.

The minutes of the meeting held on 19 May 2022 were approved as a true and accurate record.

Auditors returned to the meeting.

**Action 6, minutes of meeting held on 16 March:**

L Smith advised that during the first continuous assurance visit, a sample of 10 new starters had been selected to measure completion of Safeguarding training. There were common trends to the reasons for non-completion including staff leaving before end of probation. The risk had been reduced accordingly. No incidents of non-compliance had been identified at the second visit.

**5 Audit Recommendations and Actions (Composite Report)**

B Shipley reported that 74% of the recommendations had been completed; 13% were overdue but progress notes had been included in the report. Many

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of the outstanding recommendations had been superseded by a recent ESFA audit and mock audit of Apprenticeship provision. ESFA had given a clean bill of health for the funding audit. Good progress had been made against the recommendations although 6 pre-dated this academic year.

The reporting document is now held on a central folder to enable easier access for updating.

Governors noted the good improvement made to the audit recommendations and actions and thanked all who have contributed to this.

## 6 Risk Management / Assurance Status Report

B Shipley informed members that the risk around finance had been increased due to the potential drop in income from Sheffield City Region devolved authority and the challenges to HE income. Budget planning was still underway with options and recommendations on how to address the challenges discussed. There were potential issues with HE recruitment. The Ofsted outcome was 'Good' and an action plan in place to move to Outstanding.

Risks around Covid had been reduced although control measures remained in place. Potential increases during autumn would be monitored.

The internal audit on Risk Management provided substantial reassurance. It raised the need to embed risk in all governor committees and B Shipley had discussed this with J Platt, Interim Director of Governance and risk will now be included as a standing item on all agendas. The report cover template needed to be finalised; J Platt had examples of good practice for this.

P Pascoe mentioned that previously all committees considered items to report to the Board at the end of meetings, which included any risks identified. Members leaving early due to time constraints would have to be managed to ensure full discussion.

G Clarke reported on L Walker's feedback on the Risk Management Policy and noted strategic risks should tie-in with the reports to committees to add robustness to the process.

Governors considered the updated Risk Management Policy and approved the changes.

**RESOLUTION:** Governors approved the Risk Management Policy.

## 7 IT Controls

J Wilkinson provided an update on the IT controls including:

- Risk measures still relevant due to age of equipment. Work was being undertaken out of hours to replace/upgrade services.
- Work had been undertaken with HP Enterprises for server storage and HP Inc for desktop/laptop replacements.
- A bill of materials for server replacement project had almost been agreed; SCC were the preferred supplier.

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- Visits had been made to data centres at Leeds and Sheffield. Access to the Sheffield one has been agreed; Leeds centre to be accessed from July.
- The subsequent closure of the machine rooms at NLC and Doncaster will assist Estates with room planning and reduce power usage.
- Both data centres are ISO certified and host sensitive data for other agencies.
- Windows server 2012 being retired in September then move to Windows server 2022.
- It may be necessary to keep using the legacy systems HR21 and CHRIS21.
- Cyber Essentials has been greatly improved and condition of funding requirements now include this rather than Cyber Essentials Plus.
- As a consequence, over 1,100 laptops and desktops will be deemed non-compliant and need replacing.
- A recent monitoring of resource utilisation identified there were more devices than needed so the removal of the 1,100 devices should not create problems.
- A more stringent 'bring your own device' policy will be developed to deal with compatibility requirements.
- Over 130 corporate phones will have to be replaced.
- From 2023 college will begin migration to Windows 11 however 2580 devices are not compatible for this and will have to be replaced. Total expenditure will be just over £2m.
- Colleges across the country have requested Cyber Essentials be toned down to help with the cost impact of transition.
- A recent phishing campaign resulted in fewer staff clicking on the link; training to be provided for those who did.
- Support will need to be provided to students from poorer backgrounds who could not afford to buy devices compatible with cyber essentials.
- Governors acknowledged the work to make staff aware of the need to make best use of equipment available.
- Other work undertaken include merging the Curriculum Planning Team with Timetabling. Room audits have been completed to identify which equipment is available where to enable better use of rooms.
- A new asset register has been identified for use across Estates and IT.
- New devices had been purchased for SEND provision.
- Various phishing attacks had been thwarted by the defence system.

Governors asked how the financial risk of Cyber Essentials was going to be mitigated. J Wilkinson confirmed there was no additional government funding to manage compliance however the penalty for non-compliance could be devastating. B Shipley added that the issue was being raised with the AoC to lobby for additional funding. The costs had been factored into the budget and a fuller update would be provided when the budget was presented to Board in July.

## 8 Internal Audit Update

R Knowles stated the Continuous Assurance Visit 2 report identified 2 out of 10 exceptions under Changes to Supplier Details. There were no exceptions under Safeguarding. Two controls highlighted in Visit 1 – Student Performance and Student Attendance – were being monitored.

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	<p>There were a number of audits ongoing: Governance; ESFA Mock-Funding fieldwork being quality assured; Continuous Assurance Visit 3 fieldwork was delayed.</p>		
	<p><b>Internal Audit Plan 2022/23 (Draft)</b></p>		
	<p>L Smith said the indicative plan included the same level of resources as previously provided. The day rate had been increased in line with inflation however RSM would use technology where possible to complete work in a more efficient/effective way. Discussions had been held with B Shipley and SLT to identify areas to cover. The Estates Strategy review has been deferred until 2023/24; IT Controls has been delayed due to introduction of Cyber Essentials in 2022/23.</p>		
	<p>Audits to be carried out during 2022/23:</p>		
	<ul style="list-style-type: none"> <li>• FE and Apprenticeships Marketing, Support and Retention which will also cover challenges around AEB.</li> <li>• Staff Mental Health &amp; Wellbeing – no concerns raised but staff still struggling post-Covid. This will cover lessons learned and support available. A confidential questionnaire will be sent to staff.</li> <li>• DBS/Prevent – how the group is making sure students who need DBS have them.</li> <li>• ESFA Funding Review – exact funding stream to be agreed. RSM will liaise with Cavanagh Kelly on what they need for the Financial Statements.</li> <li>• Creditors/Procurement – standard financial review using data analytics.</li> <li>• Asset Management – review of how assets are managed including the new central register.</li> <li>• Continuous Assurance – to agree which control areas to be reviewed termly.</li> </ul>		
	<p>In response to questions, it was confirmed DNCG offers a staff benefit package, VivUp, which includes coaching and counselling support. Staff can also access Remploy. Resources were in place but take up had not been as expected.</p>		
	<p>L Walker had provided feedback that the report fulfils the brief. However areas missing for audit include Apprenticeships and Governance including legal risk.</p>		
	<p>L Smith stated a head of audit opinion would be provided at the end of year. A method of including governance into other audits had to be identified. Attendance at meetings could inform opinion. She confirmed climate change would be incorporated into the Estates Strategy in 2023/24.</p>		
	<p>B Shipley advised the risks around CATCH and the loss of a stakeholder had been included on the risk register. Stakeholder engagement, including Partnerships, was on the schedule for 2023/24 and asked whether it should be brought forward. Governors would consider this.</p>		
	<p>J Wilkinson added that the DNCG internal audit team was undertaking an audit of Apprenticeships, with a focus on adult apprenticeships.</p>		
	<p>P Pascoe said there were a number of income strands from college services such as Floristry, which may require review.</p>		

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	<i>L Tillman left the meeting</i>		
	B Shipley said that external benchmarking had been undertaken by Tribal. One area that is an outlier compared to benchmark is full cost provision which will be a key action for this year and for effectiveness to look at the following year.		
<b>9</b>	<b>Support Areas Spring Term Update Reports</b>		
	B Shipley introduced the reports and highlighted:		
	Health & Safety:		
	<ul style="list-style-type: none"> <li>• A new QR code had been introduced to report near misses.</li> <li>• The comparative figures on accidents showed there had been a decrease over the years; it is thought this was a reduction in accidents rather than reporting.</li> <li>• Compliance for mandatory training was over 90%, although figures for DSE training at Doncaster were low.</li> </ul>		
	Procurement:		
	<ul style="list-style-type: none"> <li>• External audit contract had been awarded; new insurance contract to be awarded at end of month.</li> <li>• British Gas had been awarded the utilities contract at a price £175k lower than previous report.</li> <li>• The Chief Information Officer had managed to obtain best value on IT procurement.</li> <li>• A new Tenet representative, Linda Lomas, was working at DNCG. The contract will be extended for 12 months from July.</li> </ul>		
	<p>It was confirmed the table in the report contained comparable Term 2 information for accidents annually from 2017/18. G Clarke asked if true trend information could be provided rather than snapshots. Governors would also like to receive information on what was being promoted to staff and students from a health and safety perspective. B Shipley would speak to the Health &amp; Safety Manager.</p>	<b>BS</b>	<b>28/9/22</b>
<b>10</b>	<b>External Auditor Appointment and Introduction</b>		
	<p>B Shipley said that due to the late appointment of Cavanagh Kelly, it had not been possible for them to produce an audit plan. The indicative plans had been discussed at a previous meeting earlier in the week between Cavanagh Kelly and the Finance Management Team.</p>		
	<p>R Falls said initial fieldwork would be done in August with an updated audit plan to be presented to the next Committee.</p>		
<b>11</b>	<b>Review of Committee Terms of Reference and Cycle of Business</b>		
	<p>The terms of reference had been amended to cover recommendations in the new ACOP and changes to SLT responsibilities. There were no changes to the cycle of business. Governors approved the two documents.</p>		
	<p>C Houlden advised that Search &amp; Governance committee had recommended one Audit &amp; Risk Committee meeting per year be held on-site. It was</p>		

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suggested this be the 28 November meeting where Financial Statements would be discussed. This was agreed.

**RESOLUTION:**

- i. The revised Terms of Reference and the Committee Cycle of Business 2022/23 were approved.
- ii. The 28 November 2022 meeting would be held on-site, all others on Teams.

**12 Post-16 Audit Code of Practice**

B Shipley said there were no major changes in the new Code of Practice. It would be used by Cavanagh Kelly when providing the Financial Statements. The Audit & Risk Committee fulfils all its requirements through the Terms of Reference.

**13 Incomplete QIP Actions / Areas**

There were no updates to the QIP.

**14 Link Governor Reports**

There were no link governor reports.

**15 Any Other Business**

There was no other business.

**16 Date and Time of Next Meeting**

TBC

The meeting closed at 7.21 pm

**Claire Houlden  
Executive Governance PA**

**Signed:** ..... (Chair)

**Date:** .....

TABLE OF ACTIONS				
Date	Minute	Action	Responsibility	Due Date
8/6/22	9	G Clarke asked if true trend information could be provided rather than snapshots. Governors would also like to receive information on what was being promoted to staff and students from a health and safety perspective. B Shipley would speak to the Health & Safety Manager.	B Shipley	28/9/22