

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD ON WEDNESDAY 28 SEPTEMBER 2022

Present

Dolly Agoro	Governor
Peter Grant	Governor
Preetha Kumar	Governor
Paul Pascoe	Co-opted Member
Lee Walker	Governor

The quorum for the meeting was four Members.

In attendance

Barrie Shipley	Chief Finance Officer
Jason Wilkinson	Chief Information Officer
Sharon Harmon	Clerk to the Corporation
Rob Knowles	RSM
Anastasia Mullen	RSM
Ryan Falls	Cavanagh Kelly
Sharon Smith	Principal / Deputy CEO

The meeting was held on MS Teams and commenced 5.00 pm.

Item	Minute	Action
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1 Apologies

Apologies for absence were received from Antony Ball, Lee Tillman, Greg Clarke, and Lisa Smith (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.

There were no declarations of interest.

3 Election of Chair and Vice Chair 2022-24

The Clerk to the Corporation informed members that the Chair and Vice Chair's two-year terms had expired and both a Chair and Vice Chair needed to be appointed for 2022-24. Members were asked if they wished to express an interest to be the Chair or Vice Chair of the Committee. L Walker expressed an interest to be appointed for a further two-year term as the Chair. G Clarke expressed an interest to be appointed for a further two-year term as Vice Chair. Members were asked to approve the two appointments.

L Walker left the meeting for the voting on the appointment of Chair.
G Clarke was not present for the voting on the appointment of Vice Chair.

Item	Minute	Action
	<p>Resolution: L Walker was unanimously appointed for a further two-year term as Chair of the A&R Committee. G Clarke was unanimously appointed for a further two-year term as Vice Chair of the A&R Committee.</p>	
4	<p>Minutes of a meeting of the Audit & Risk Committee held on 8 June 2022 and any matters arising</p>	
	<p>The minutes were agreed as a true and correct record to be signed by the Chair.</p>	
	<p>Matters Arising</p>	
	<p>The Chief Finance Officer (CFO) provided an update on the action arising from item 9. The CFO reported that the annual reports will now include two years of full sets of prior year comparatives. The CFO, at the request of the Committee, provided a further update on the utilities contract and confirmed that as the contract was signed before 1st April 2022, the College was eligible for the price cap that applies to business. The CFO further explained that there is an ongoing risk in relation to energy prices and mitigation strategies are being considered.</p>	
5	<p>Draft Regulatory Self-Assessment Questionnaire 2021/22</p>	
	<p>The CFO presented the draft Regulatory Self-Assessment Questionnaire (RSAQ) 2021/22. It was noted that the decision sought was for approval of the draft of the RSAQ at this stage. The CFO explained that the final completed and signed RSAQ is reviewed by Cavanagh Kelly in line with their reporting accountant's responsibilities for reporting on regularity, whereby they will look to obtain limited assurance and to report to the Corporation and to the ESFA in accordance with the requirements of the Post-16 Audit Code of Practice.</p>	
	<p>The CFO confirmed, following a question from the Committee, that the policies discussed under evidence were reviewed within the respective review cycle for each policy.</p>	
	<p>Resolution: The Committee approved Draft Regulatory Self-Assessment Questionnaire 2021/22.</p>	
6	<p>Draft Audit Committee Annual Report 2021/22</p>	
	<p>Members reviewed the draft Audit & Risk Committee's Annual Report 2021/22. The CFO explained that the Audit & Risk Committee's Annual Report is a requirement of the Post-16 Audit Code of Practice 2021/22 (ACOP) and is designed to assist the Chief Executive and the Board with their respective responsibilities for the College's systems, controls, and risk management, which underpin the strategic objectives. Members discussed the report and agreed a comment on the OFS Audit should be included.</p>	CFO
	<p>Members noted the report is to be finalised at the next Committee meeting on 28 November 2022 and presented at the Corporation Board meeting on 12 December 2022.</p>	Clerk
	<p>Resolution: The Committee approved the Draft Audit & Risk Committee's Annual Report 2021/22 pending the inclusion of note on OFS Audit.</p>	

Item	Minute	Action
7	Review of Committee Performance and Annual Report 2021/22	
	<p>Members were asked to consider the performance of the Audit and Risk Committee in 2021/22. Members measured the performance of the Committee against its Terms of Reference and considered the Committee’s Annual Report 2021/22. Members agreed they were satisfied with the performance of the Committee in the previous academic year and judged the Committee to be effective. Members further agreed the Committee has fulfilled all its responsibilities as set out in the Terms of Reference and Annual Report 2021/22.</p> <p>Members discussed membership of the Committee and noted that at least two members would be reaching the end of their terms of office at the end of the academic year. Members agreed membership would need to be kept under review to ensure the Committee retained the necessary skills and that membership would be strengthened through recruitment as required.</p> <p>Members agreed the following amendments to the Committee Terms of Reference:</p> <ul style="list-style-type: none"> - under 3.2 remove the duplication of ‘shall be elected’ - under 3.3 clarify position in relation to co-opted members 	Clerk
8	OfS Audit Report	
	<p>The Principal presented the findings of the OfS ILR Audit Report and updated the Committee on the current position. Members noted that the OfS Audit offered limited assurance over the reporting of HE students and over the accuracy of the data submitted to the OfS and ESFA for funding and other regulatory purposes and made 5 recommendations. The Principal outlined to the Committee the Colleges action plan to address the recommendations.</p> <p>Members discussed the Audit Report, Action Plan and associated risks. Members sought assurances that the College had taken measures to address the recommendations of the Audit. Members reviewed the action plan and were assured the plan sought to mitigate risk and address the recommendations of the Audit. The Principal provided further assurances that plans were in place to ensure the future accuracy of data. Members agreed that a progress report will come to every Audit Committee meeting this year.</p>	Principal Clerk
9	Audit Recommendations and Actions (Composite Report)	
	<p>Members received the Audit Recommendations and Actions progress report. The CFO provided members with an update on actions. Members noted that 82% of actions are completed and items not completed are either ongoing or not yet due. Members discussed the timeline for item 14 relating to archiving and data retention. Members were assured plans were in place to move this action forward and the appropriate timeline was agreed.</p>	
10	Internal Audit	
	<p>Members reviewed the draft RSM Annual Internal Audit Report and Opinion – Year ended 31 July 2022. A Mullen (RSM) reported on key points from the report.</p> <p>A Mullen (RSM) ask the Committee to note that internal audit work for 2021/22 continued to be undertaken through the operational disruptions caused by the Covid-19 pandemic. In undertaking the audit work, RSM recognise that there has</p>	

Item	Minute	Action
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been some impact on both the operations of the organisation and its risk profile, and the annual opinion should be read in this context. Members noted the finding from the Internal Audit Report.

Risk Management Audit found substantial assurance.

Audit of Internal controls included five controls based assurance reviews in 2022. Three concluded in substantial assurance and two in reasonable assurance.

Progress Report 2021/22 and Action Plan 2022/23

Members reviewed the Internal Audit progress report. R Knowles (RSM) provided the Committee with an overview of the key points.

Funding Assurance

Members noted the review of Funding Assurance confirmed that the processes and procedures in relation to apprenticeship provision and demonstrating compliance with the Funding Rules have been reviewed and improved by the College since the previous review. Testing only related to learners who have started with the College since 1 August 2021. The review identified two areas of non-compliance with the funding rules which could result in a funding error relating to the calculation Off the Job Training hours and PDSAT reports.

The CFO assured Members that the actions set out in the Funding Assurance Review action plan would be added to the audit tracker.

Governance

The review of Governance resulted in substantial assurance and found that an established governance framework is in place in relation to the Corporation Board and its committees and confirmed the framework to be operating in practice. The reported identified two minor areas of improvement in relation to Governor induction record keeping and skills mix requirements, leading to one 'medium' and one 'low' priority action being agreed with management. Further to this, RSM also determined one observation, with regards to consistently documenting declarations of interest via meeting minutes. Members welcomed the findings and agreed it was overall a very positive and reassuring report.

Continuous Assurance Visit 3

Members reviewed the findings of the third Continuous Assurance visit. Members noted that third visit of 2021/22 was completed in June 2022 and tested the same suite of controls previously agreed with management and tested during visits one and two. The controls tested are considered key risk areas that management require assurance over throughout the year, for functionality and effectiveness. Of the ten controls tested it resulted in two management actions, one low and one medium priority action. Members confirmed these actions would be completed before the next continuous assurance visit in November.

Follow Up Report

Members noted that the RSM follow up on actions report found that the College has demonstrated good progress in implementing agreed management actions. Of the 16 management actions considered as part of the review, testing found that the College has implemented 10 management actions with the implementation of three actions ongoing. The remaining three actions were found to be no longer applicable and thus had been superseded.

Item	Minute	Action
	<p>Changes to the Internal Audit Plan Members noted that subsequent to the approval of the 2022/23 plan by the Audit and Risk Committee at the 8 June 2022 meeting, there have been discussions with management around potential changes to the plan in light of the College's recent Office for Students (OfS) audit.</p> <p>Members reviewed the proposed changes to the Internal Audit Plan 2022/23 and following discussion agreed the changes to the plan and the associated fees.</p>	
11	<p>External Audit Plan 2021/22 Financial Statements</p> <p>Members reviewed the External Audit Plan 2021/22 presented by R Falls (Cavanagh Kelly). Members noted the approach and scope set out in the Audit Plan and agreed they were satisfied with the plan.</p>	
12	<p>Risk Register 2022/23</p> <p>Members reviewed and discussed the Risk Register. Members noted no change around risk 5 relating to legal. Members agreed to adjust the actions against this risk to separate the GDPR compliance from the wider data retention archiving project. Members noted a new Risk 14, in light of the recent OfS audit which identified areas for improvement. Members noted an action plan has been prepared and is awaiting feedback from the OfS. Members further noted that the risk appetite has been set as low by management and agreed oversight by Audit & Risk Committee on progress.</p>	CFO
13	<p>Procurement Annual Report 2021/22</p> <p>Members confirmed they had noted the findings of the report and had no concerns.</p>	
14	<p>Health & Safety Annual Report 2021/22</p> <p>Members confirmed they had noted the findings of the report and had no concerns.</p>	
15	<p>Teachers' Pensions EOYC Return 2021/22</p> <p>Members noted that Cavanagh Kelly were engaged to prepare the enclosed letters in relation to the End of Year Certificate (EOYC) and annual Reporting Guidance TP05 issued by the Teachers' Pensions. Cavanagh Kelly gave assurance that the contributions shown on the EOYC were paid in accordance with the rules of the Teachers' Pensions.</p> <p>Members confirmed they had noted the findings of the report and had no concerns.</p>	
16	<p>Annual Report on Fraud, Irregularities and Whistleblowing 2021/22</p> <p>Members noted the report confirmed that there had been no actual or suspected incidents. Members confirmed they had noted the findings of the report and had no concerns.</p>	

Item **Minute** **Action**

17 Committee Chairs Report to Corporation Board

Members considered the business of the meeting and recorded key items and any changes to strategic risks identified for feedback to the Board in the Committee Chair’s Report to Corporation Board.

18 Any Other Business

There was no other business recorded.

19 Date and Time of Next Meeting

The next meeting of the Audit & Risk Committee is scheduled for Monday 28th November 2022, 5.30 pm at Doncaster College.

The meeting closed at 7.03pm

Sharon Harmon
Clerk to the Corporation

Signed: (Chair) **Date:**

TABLE OF ACTIONS				
Date	Minute	Action	Responsibility	Due Date
28/09/22	6 Draft Audit Committee Annual Report 2021/22	Update the Draft Audit Committee Annual Report 2021/22 to included a comment on the OFS Audit.	CFO	Sept 22
28/09/22	6 Draft Audit Committee Annual Report 2021/22	Add Draft Audit Committee Annual Report 2021/22 to next Committee meeting agenda on 28 November 2022.	Clerk	Nov 22
28/09/22	7 Review of Committee Performance and Annual Report 2021/22	Update the Committee ToRs as agreed.	Clerk	Oct 22
28/09/22	8 OfS Audit Report	Provide progress report on OfS Audit Report action plan to every Audit Committee meeting this academic year.	Principal Clerk	Ongoing
28/09/22	12 Risk Register 2022/23	Adjust the actions against risk 5 to separate the GDPR compliance from the wider data retention archiving project.	CFO	Sept 22