

MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD ON 4 OCTOBER 2023

Present

Greg Clarke	Governor
Peter Grant	Governor
Paul Pascoe	Co-opted Member
Mark Swales	Governor
Lee Tillman	Governor
Lee Walker	Governor

The quorum for the meeting was four Members. The meeting was quorate.

In attendance

Barrie Shipley	Chief Operating Officer, Finance & Infrastructure
Rachel Maguire	Chief Operating Officer, People & Information
Sharon Harmon	Clerk to the Corporation
Lisa Smith	RSM
Rob Knowles	RSM
Ryan Falls	Cavanagh Kelly

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

Item	Minute	Action
1	Apologies	
	Apologies for absence were received from Preetha Kumar.	
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 made.	
3	Minutes of the meeting of the Audit & Risk Committee held on 7th June 2023 and any matters arising	
	The minutes of the meeting of the Audit & Risk Committee held on 7th June 2023 were agreed as a true and correct record to be signed by the Chair.	
	Matters Arising	
	Members noted all actions from the last meeting, except for the requested meetings with COOs, had been completed. The Clerk agreed to ensure the required meeting were scheduled as discussed.	
	Action: The Clerk to arrange a meeting with the COOF&I, COOP&I, Preetha Kumar and Lee Walker to discuss digital assurances framework and compliance assurance system and assurances sought from the A&R Committee relating to reporting on digital and data.	Clerk
	Action: The Clerk to arrange a meeting with Mark Swales (H&S Link Governor) and the COOP&I to discuss H&S reporting.	Clerk

Item	Minute	Action
4	<p>Audit Recommendations and Actions (Composite Report)</p> <p>The COOF&I presented the Audit Recommendations and Actions report. Members noted the contents of the report. Members noted that following the completion of six additional audits since the June A&R Committee meeting, a further 34 recommendations have been added to the Audit Recommendations Tracker. Members noted that 87% of actions, excluding the actions that are not yet due, have been completed. Members were assured that there are no high priority actions past their implementation date and not completed as of September 2023. Members were assured that any outstanding actions were underway.</p> <p>Members commented on the good progress made against audit recommendations and actions and expressed the committee's appreciation to the SLT.</p>	
5	<p>Group Risk Register</p> <p>Members received the Group Risk Register. Members noted that the A&R Committee has responsibility for seeking assurance on the robustness and adequacy of the Group's risk management framework and has specific oversight of three risks on the Group Risk Register relating to legal, digital and data. Members noted the other subcommittees of the Corporation Board monitor and report on the other risk on the register as appropriate.</p> <p>Members noted the trend analysis of residual risk scores showing how the assessed scores have changed over the last 12 months and comparing the latest residual risk scores assessment against the target risk as defined by the Corporation Board. Members noted highlighted points as follows:</p> <ul style="list-style-type: none"> • 3 of the 13 risks have reduced (Apprenticeships, Data and Higher Education) • 4 of the 13 risks has increased (Finance, Digital, Property. Growth) • 7 of the 13 risks have an assessed residual risk score in June 2023 that is higher than the target risk as defined by the Corporation Board. <p>The COOF&I provided a detailed explanation of the reasons for the movement in the residual risk scores and outlined mitigations, progress against planned actions and assurances.</p> <p>Members sought further assurance around the reported server performance and stability issues over the summer. The COOF&I and COOP&I provided a full update on the position and planned next steps.</p> <p>Members sought further assurance on the financial mitigations around the reported damage to the Doncaster College roof. The COOF&I provided a full update on the position and planned next steps.</p> <p>Members discussed high scoring risks measured against the risk scoring metric and questioned why some residual risks continue remain higher than the target risk score. Members noted that the scoring is dynamic and that some high scoring risks remain a challenge despite mitigating actions. Members agreed it would be helpful to have a detailed explanation on the one-page risk summary outlining the reasons why a high scoring risk remains above target score.</p>	
	<p>Action: The COOF&I to update the Group Risk Register to include an explanation on the one-page risk summary outlining the reasons why a high scoring risk remains above target score.</p>	COOF&I

Item	Minute	Action
	<p>Members discussed the risk appetite framework and scoring criteria. Members agreed this should be reviewed. Members noted the Risk Register will be reviewed against the new Strategic Plan 2023-28.</p>	
	<p>Action: COOF&I to review Risk Register and Risk Appetite criteria for discussion at the next meeting of the A&R Committee on 27th November 2023.</p>	<p>COOF&I</p>
	<p>Members thanked the COOF&I.</p>	
<p>6</p>	<p>Audit ILR Update – Office for Students</p>	
	<p>The COOP&I provided an update on the Office for Students (OfS) audit of aspects of the 2020-21 ILR higher education student data. The COOP&I informed members that the OfS had written the DNCG CEO to confirm they do not require any further action from the college in follow up to their audit of 2020-21 ILR higher education student data. The COOP&I provided members with a copy of the letter from the OfS for their information.</p>	
<p>7</p>	<p>IT Annual Report</p>	
	<p>Members received the IT Infrastructure Annual Report for 2022-23. Members noted the contents of the report which sets out the IT Team achievements in the period and outlines projects for the coming year. Members agreed that the report should be presented again at the next meeting of the Audit and Risk Committee on 27th November 2023 when it could be discussed in more detail. Members recorded their appreciation to the COOF&I and the IT Team for all their hard work.</p>	
	<p>Members noted that paragraph 9 on page 3 of the report appears to be incomplete and ask that this be corrected for the report to the next committee.</p>	
	<p>Action: The COOF&I to make discussed correction to the IT Infrastructure Annual Report for 2022-23 as discussed, and present report at next committee meeting on 27th November 2023.</p>	<p>COOF&I</p>
<p>8</p>	<p>Internal Audit</p>	
	<p>R Knowles (RSM) presented the DNCG Internal Audit Progress Report 2022/23 and 2023/24. Members noted that the internal audit plan for 2022/23 was approved by the Audit and Risk Committee at the 7 June 2022 meeting. R Knowles reported that all work for 2022/23 has now been completed and members noted the summary of the work completed in the year provided in the report.</p>	
	<p>Members noted that since the last meeting of the Audit and Risk Committee on 7 June 2023, RSM have finalised all remaining audit reports for 2022/23 which include the 22/23 ESFA Mock Funding Assurance, the 22/23 Continuous Assurance Visit 3, the 22/23 Creditors and Procurement audit, the 22/23 Asset Management audit, the 22/23 HE Data Framework Follow Up, and the 22/23 annual follow up of actions report. Members noted the findings of the reports and agreed that overall, it was a positive set of internal audit reports.</p>	
	<p>Members agreed it the 22/23 Asset Management audit report should be share with the Finance and Risk Committee for their information.</p>	
	<p>Action: The COOF&I to share the 22/23 Asset Management audit report with the Finance and Risk Committee for their information.</p>	<p>COOF&I</p>
	<p>Members discussed the Continuous Assurance Visit 3 and compliance with key controls. Members had a full discussion around key controls. RSM and the COOs provided further detail and assurance around progress and planned actions. RSM agreed to provide a</p>	

Item	Minute	Action
	<p>listing of all the key controls that have been discussed for inclusion as part of the continuous assurance framework including an explanation of assurances already in place for controls not included on the schedule.</p>	
	<p>Members noted that the internal audit plan for 2023/24 was approved by the Audit and Risk Committee at the 7 June 2023 meeting. Members noted the update on progress against that plan and summary of the results of work to date provided in the report. R Knowles provided an overview of progress against the plan for 23/24 and work currently underway.</p>	
	<p>Members noted the Emerging Risk Radar had not been included and RSM agreed to circulate to the committee.</p>	
	<p>Members received the RSM Assessment against the ESFA Subcontracting Standard funding year 2022/23 report. L Smith (RSM) provided a detailed overview of the report. Members discussed the report findings and agreed it was overall a positive report. Members noted agreed management actions had been added to the Audit Tracker.</p>	
	<p>L Smith (RSM) presented the draft Annual internal audit report and Opinion – Year ended 31 July 2023, providing an annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation’s risk management, control and governance processes. Members noted the contents and finding of the report. Members noted that for the 12 months ended 31 July 2023, the head of internal audit opinion is that DNCG has an adequate and effective framework for risk management, governance and internal control. Members discussed the report findings and agreed it was overall a positive report.</p>	
	<p>Members thanked RSM for their work.</p>	
9	Teachers’ Pensions EOYC Return 2022/23	
	<p>The COOP&F reported that DN Colleges Group is responsible for producing the information, maintaining proper records complying with the terms of Teachers’ Pensions Regulations 2010 and the Teachers’ Pension Scheme Regulations 2014, as amended, and for preparing the End of Year Certificate (EOYC) for the year ended 31 March 2023.</p>	
	<p>Cavanagh Kelly were engaged to prepare the enclosed letters in relation to the EOYC and annual Reporting Guidance TP05 issued by the Teachers’ Pensions.</p>	
	<p>Cavanagh Kelly identified no exceptions or errors except for several rounding differences of £4.18, and, in audit conclusion, gave assurance that the contributions shown on the EOYC were paid in accordance with the rules of the Teachers’ Pensions.</p>	
	<p>Members noted the report for their information.</p>	
10	Annual Report on Fraud, Irregularities and Whistleblowing 2022/23	
	<p>Members received the Annual Report on Fraud, Irregularities and Whistleblowing 2022/23. Members noted the report covers those items that have been brought to the attention of the Senior Leadership Team and the Clerk to the Corporation over the course of the year to 31 July 2023. The items noted are those that are of perceived importance or materiality to warrant recording.</p>	
	<p>Members noted there have been no instances of fraud during 2022/23. There was one report of suspected fraud investigate by the Fraud Response Group in March 2023. Upon investigation it was found no actual fraud had taken place.</p>	

Item	Minute	Action
	<p>Members noted there have been two minor instances of irregularity during 2022/23 which are detailed in the report. Members noted that both were brought to the attention of the Audit & Risk Committee and the Corporation Board and reported to the relevant regulatory bodies.</p>	
	<p>Members noted there have been no instances of whistleblowing during 2022/23.</p>	
11	<p>Draft Regulatory Self-Assessment Questionnaire 2022/23</p>	
	<p>The COOF&I presented the draft of the completed Regulatory Self-Assessment Questionnaire 2022/23 for DNCG. Members noted the regularity self-assessment questionnaire (RSAQ) is designed by the ESFA to provide clarity of the accountability framework, key requirements and the type of evidence to provide; it supports corporations in drafting their statement of regularity, propriety and compliance. Corporations must provide a copy of their completed RSAQ to the reporting accountant, signed by the accounting officer and the Chair of the Corporation Board.</p>	
	<p>Members noted Corporations must publish a statement of regularity, propriety and compliance within their annual accounts. Corporations must also appoint a reporting accountant to provide an assurance report on regularity each financial year. The reporting accountant must be the same as the external auditor.</p>	
	<p>Members noted the 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>Members noted the contents of the draft Regulatory Self-Assessment Questionnaire 2022/23 for their information.</p>	
12	<p>Draft Audit Committee Annual Report 2022/23</p>	
	<p>The COOF&I presented the draft Audit & Risk Committee's Annual Report for the committee's consideration. Members noted the Audit & Risk Committee's Annual Report is a requirement of the Post-16 Audit Code of Practice 2022/23 (ACOP) and is designed to assist the Chief Executive and the Corporation Board with their respective responsibilities for the College's systems, controls, and risk management, which underpin the strategic objectives.</p>	
	<p>Members considered the draft report and agreed with the contents. Members agreed with the view on the committee's effectiveness and how it has fulfilled its terms of reference. Members agreed the opinion on the adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets was correct. Members noted the final report would be presented at the A&R Committee meeting on 27th November 2023 for consideration.</p>	
13	<p>Support Area Annual Reports</p>	
	<p>The COOP&I presented the Annual Health & Safety Report 2022/23 providing an overview of key H&S activities in the past academic year 2022/2023. Members noted key data in relation to supporting activities and the detailed breakdown of accident statistics for both staff and students. Members thanked the COOP&I for the detailed report and for all the work of the H&S team. Members were assured by the contents of the report. Members noted that future reports will provide further trended data. Members agreed it would be helpful to include in the next report a strategic overview where the overarching risks are across the Group on health and safety. The COOP&I and the Link Governor for Estates/H&S agreed to meet to discuss future reports.</p>	

Item	Minute	Action
	<p>Action: The Clerk to schedule a meeting for the COOP&I and the Link Governor for Estates/H&S to discuss future reports.</p> <p>The COOF&I presented the Procurement Services Annual Report 2022/23 setting out achievements in the period and outlining plans for the coming year. Members noted it has been another busy year for the procurement function, with challenges achieving savings due to rising inflationary pressures on the economy driving upward pressures on costs. However, significant savings have been achieved, as well as ensuring compliance with public contract regulations. Members noted the planned activity for the year ahead. Members commented that the positive report coupled with the supporting RSM Creditors and Procurement audit findings provided the committee with a significant level of assurance.</p>	Clerk
14	<p>Committee Chairs Report to Corporation Board</p> <p>Members discussed committee feedback to the Corporation Board and agreed to reinstate post audit committee meetings with all members to discuss feedback report and how the committee is working. Members agreed to hold two meetings a year one in December and one in July.</p> <p>Action: The Clerk to schedule post audit committee meetings as discussed.</p> <p>Members considered the business of the meeting and agreed the following items for inclusion in the Committee Feedback report to the Corporation Board.</p> <ul style="list-style-type: none"> • Digital Risk (7) increased - server performance and stability issues over the summer. • Property Risk (9) increased - Doncaster College roof. • Summary of internal audit reports. • Update on funding audit and closing of OfS audit actions. • Annual report on Fraud, Irregularities and Whistleblowing presented by management. <p>Members discussed the responsibilities of other sub committees to review the strategic risks for which they are responsible and to report to the Board and asked for an item to be added to the Chairs and Vice Chairs Committee meeting for discussion.</p> <p>Action: The Clerk to add an agenda item to the Chairs and Vice Chairs Committee meeting for discussion of feedback from committees on oversight of risk, the new risk register and committee feedback reports to the Corporation Board.</p>	Clerk
15	<p>Any Other Business</p> <p>There were no items of any other business.</p>	
16	<p>Date and Time of Next Meeting</p> <p>The next meeting of the Audit & Risk Committee is scheduled for Monday 27th November 2023, Boardroom, Doncaster College.</p>	

The meeting closed at 6.49 pm.

Sharon Harmon
Clerk to the Corporation

Signed: (Chair)

Date:

TABLE OF ACTIONS				
Date	Minute	Action	Responsibility	Due Date
04/10/23	3	The Clerk to arrange a meeting with the COOF&I, COOP&I, Preetha Kumar and Lee Walker to discuss digital assurances framework and compliance assurance system and assurances sought from the A&R Committee relating to reporting on digital and data.	Clerk	Oct 23
04/10/23	3, 13	The Clerk to arrange a meeting with Mark Swales (H&S Link Governor) and the COOP&I to discuss H&S reporting.	Clerk	Oct 23
04/10/23	5	The COOF&I to update the Group Risk Register to include an explanation on the one-page risk summary outlining the reasons why a high scoring risk remains above target score	COOF&I	Nov 23
04/10/23	5	COOF&I to review Risk Register and Risk Appetite criteria for discussion at the next meeting of the A&R Committee on 27 th November 2023.	COOF&I	Nov 23
04/10/23	7	The COOF&I to make discussed correction to the IT Infrastructure Annual Report for 2022-23 as discussed, and present report at next committee meeting on 27 th November 2023.	COOF&I	Nov 23
04/10/23	8	The COOF&I to share the 22/23 Asset Management audit report with the Finance and Resources Committee for their information.	COOF&I	Nov 23
04/10/23	14	The Clerk to schedule post audit committee meetings as discussed.	Clerk	Nov 23
04/10/23	14	The Clerk add an agenda item to the Chairs and Vice Chairs Committee meeting for discussion of feedback from committees on oversight of risk, the new risk register and committee feedback reports to the Corporation Board.	Clerk	Dec 23