

MINUTES OF THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD ON MONDAY 27TH NOVEMBER 2023

Present

Greg Clarke	Governor
Peter Grant	Governor
Preetha Kumar	Governor
Paul Pascoe	Co-opted Member (via Teams)
Philippa Poland	Governor
Mark Swales	Governor
Lee Walker	Governor

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

In attendance

Sharon Harmon	Clerk to the Corporation
Rachel Maguire	Chief Operating Officer, People & Information (COOP&I)
Barrie Shipley	Chief Operating Officer, Finance & Infrastructure (COOF&I)
Rob Knowles	RSM
Ryan Falls	CavanaghKelly

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

Item	Minute	Action
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1 Apologies

Apologies for absence were received from Lee Tillman, Governor. Members noted the Chair of the Finance and Resources Committee, Karen Jackson, had been invited to attend this meeting but was unable to do so.

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 4th October 2023 and any matters arising

The minutes of the meeting of the Audit & Risk Committee held on 4th October 2023 were agreed as a true and correct record to be signed by the Chair.

Matters Arising

Item 3 - The Clerk confirmed the requested meetings had taken place.

Item 5 - The COOF&I confirmed the requested updates to the Group Risk Register had been made and would be presented at this meeting.

Item 7 – Members noted the IT Infrastructure Annual Report for 2022-23 would be presented at this meeting.

Item	Minute	Action
	<p>Item 8 – The Clerk confirmed the 22/23 Asset Management audit report would be share with the Finance and Risk Committee for their information.</p>	
	<p>Item 14 – Members discussed post audit committee meetings and agreed that instead of a follow up meeting, the committee would set aside 10 minutes at the end of each meeting to consider feedback to the Corporation Board.</p>	
	<p>Item 14 - The Clerk confirmed that discussion of feedback from committees on oversight of risk, the new risk register and committee feedback reports to the Corporation Board had been add to the agenda of the Chairs and Vice Chairs Committee meeting on 6th December.</p>	
4	Regulatory Self-Assessment Questionnaire 2022/23	
	<p>The Committee received the Regulatory Self-Assessment Questionnaire (RSAQ) completed for DN Colleges Group for 2022/23. Members noted the RSAQ is reviewed by the external auditors 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. Members noted the draft RSAQ was presented at the Audit and Risk Committee meeting on 4th October 2023. Members noted minor amendments highlighted.</p>	
	<p>Resolution: The Audit & Risk Committee approved the RSAQ for presentation to the Corporation Board to be included in approving the Financial Statements and submissions to the ESFA at the 13th December 2023 Corporation Board meeting.</p>	
5	Audit Committee Annual Report 2022/23	
	<p>The COOF&I presented the 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 noted that the committee had received and considered the draft Audit & Risk Committee’s Annual Report at the last committee meeting on 4th October 2023. Members noted there were no further updates to report.</p>	
	<p>Resolution: The Audit and Risk Committee approved the Audit & Risk Committee’s Annual Report to be presented to Corporation Board 13 December 2023.</p>	
6	Draft Financial Statements and Regularity Assurance Report 2022/23	
	<p>The COOF&I presented the draft Financial Statements and Regularity Assurance Report for 2022/23. Members noted the year end financial position. The COOF&I reported that the College had receive a late notification of a funding clawback back of £109k that is not reflected in the financial statements, this adjustment will be made accordingly.</p>	
	<p>Members were reminded that the Education and Skills Funding Agency (ESFA) monitors the financial health of colleges through financial returns. Members noted the Group’s financial key performance indicators targeted for an ‘Outstanding’ financial health score for 2022/23 with an “Outstanding” rating being achieved. The Group’s financial health grade of ‘Outstanding’ is defined as ‘Robust finances to meet current</p>	

Item	Minute	Action
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obligations and respond successfully to opportunities or adverse circumstances’.

The COOF&I reported that the two trading subsidiaries Kingsway Consulting and Optime Support sets of accounts have been fully audited. There are no audit recommendations and no irregularities. The accounts were approved by the subsidiaries Boards at AGMs on 27 November 2023. The COOF&I reported that there are two small profits within those organisations and any profits are gift aided back to DNCG under a deed of covenant. The COOF&I explained that Doncaster College and North Lindsay College subsidiaries are not trading therefore dormant accounts.

Members noted and agreed the statement of internal control informed by Audit and Risk committee.

The External Auditors presented the Audit Report for the year ended 31 July 2023. Members noted that it is proposed that the auditor will issue unqualified audit opinions on all entities in the Group. The Auditors provided an overview of the scope of the audit work.

Members noted in relation to Compliance with laws and regulations. The Auditors have not identified any non-compliance with laws and regulations from discussions with management and audit procedures performed apart from two minor breaches reported to the committee. The auditors acknowledge that the control weakness has been adequately disclosed within the Statement of Corporate Governance and Internal Control included within the annual report.

Members noted the external audit work will be concluded once the final year end confirmation statements of funding from the ESFA is received in early December 2023.

Members were reassured by the finding of the audit report.

Resolution: The Committee agreed to recommend the Financial Statements and Regularity Assurance Report 2022/23 for approval by the Corporation Board subject to the completion of the remaining external audit work.

7 Group Risk Register

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.

Members noted the risk register has been reviewed and discussed by the Senior Leadership Team and in line with the new strategic plan. Two new risks have been included for Business systems/MIS and Partnerships that require further development. Progress against actions will now be tracked and reported on. A new risk summary section has been included to each risk as requested at the last A&R Committee meeting. The Risk Appetite Score has been changed to reflect the narrative rating rather than a score.

Members reviewed a trend analysis of residual risk scores noting how the assessed scores have changed over the last 12 months and comparing the latest residual risk scores assessment against the target risk.

Item	Minute	Action
	<p>Members were assured by the updated Risk Register and commented on the improvement in risk reporting and thanked the management team for the update report.</p>	
8	<p>Audit Recommendations and Actions (Composite Report)</p>	
	<p>The COOF&I presented the Audit Recommendations and Actions update report.</p>	
	<p>Members noted further recommendations added to the tracker since the June Committee meeting following the completion of the Subcontracting Standard audit and the Staff Health & Wellbeing audit.</p>	
	<p>Members reviewed progress notes and revised implementation dates which have been updated for all actions that remain outstanding for completion. Members noted actions continue to be tracked and reported by SLT lead and updated via a shared live report in Microsoft Teams. Members noted there were no high priority actions.</p>	
	<p>Members were reassured that audit recommendations are being actioned and implemented appropriately.</p>	
9	<p>IT Annual Report</p>	
	<p>The Committee received the IT Infrastructure Annual Report for 2022-23 which sets out achievements in the period and outlines projects for the coming year.</p>	
	<p>Members were updated on the following headline achievements:</p>	
	<ul style="list-style-type: none"> • Cyber Essential Compliant – Awarded July 2023 • Successful Phishing Campaigns and Penetration Testing • Firewall Enhancement • Server Upgrade – Phase 1 completed • Doncaster Network Upgrade • T-Level/IOT Capital Projects delivered • Network status page developed – to be launched in September 23 • College wide capital refresh • New loans of 603 laptops and equipment to students • IT Infrastructure team re-structure • Improved project governance and reporting 	
	<p>Members sought further assurances around penetration testing and were provided with a further detail and assured that multifactor authentication is embedded within the organisation.</p>	
	<p>Members discussed ongoing risks within IT and were assured the risks have reduced and that work was continuing to target date. Members requested that a progress update be presented at the next meeting of the Audit and Risk Committee.</p>	
	<p>The Chair reported on a meeting with the COOP&I to discuss compliance review and reported on the compliance review model in place. Members were assured as a second line control that data compliance is being tested appropriately and noted that the model will produce a report to A&R Committee. The COOP&I explained the model and process in more detail. Members asked if the model covered all funding streams and were assured that it covers all areas. The COOP&I agreed to share the model with the committee at the next meeting.</p>	
	<p>Action: COOP&I to present the new compliance review model at the next A&R committee meeting.</p>	COOP&I

Item	Minute	Action
	Members thanks the COOF&I and COOP&I for the comprehensive report.	
10	Internal Audit Reports	
	The internal auditors presented the Internal Audit Progress Report for October 2023 and the Staff Mental Health and Wellbeing Internal Audit Report.	
	Internal Audit Progress Report	
	Members noted the internal audit plan for 2022/23 was approved by the Audit and Risk Committee at the 7 June 2022 meeting. Members noted all work for 2022/23 has now been completed and reviewed the summary of the work completed in the year set out in the report.	
	Members noted the internal audit plan for 2023/24 was approved by the Audit and Risk Committee at the 7 June 2023 meeting. Members noted dates for planning calls and fieldwork for the reviews in the internal audit plan for 2023/24 have been shared with management and noted the update on progress set out in the report.	
	Staff Mental Health and Wellbeing Audit Report	
	Members noted that the audit found that the Group has in place health and wellbeing services and support which have been tailored to its workforce through analysis of use and engagement, and then has identified and is implementing projects to address some of the underlying causes of poor staff health and wellbeing. One medium and five low priority actions to address exceptions found within the wider health and wellbeing control framework have been agreed with management.	
	Members discussed follow up to staff survey responses. Members asked for further detail on how staff health and wellbeing is measured. The COOP&I explained the use of the Barrett Values and staff feedback. Members noted North Lincs Council had recently award the Group the Healthy Workplace, Outstanding Employer Award. Members were assured that the Group was doing well in relation to staff health and wellbeing.	
	Action: The Clerk to add Staff health and wellbeing audit report to the March People and Transformation committee meeting agenda	Clerk
11	PDSAT Annual Report	
	The Committee received the PDSAT Annual Report noting the Provider Data Self-Assessment Toolkit (PDSAT) is a computer application commissioned by the ESFA and provided by them to audit firms and education providers in the FE Sector in England. It interrogates Individualised Learner Record (ILR) data and produces reports on this data, which can then be used by providers to identify and correct potential anomalies in the data. Across both colleges, the software application is run and checked monthly, commencing annually after the ILR R04 return, which is submitted in December, and running through to the final ILR R14 submitted in October of the following year.	
	Members noted the contents of the report and the position for 2022-2023 and actions planned and being taken for 2023-2024. Members commented on the positive report and progress made. Members noted going forward reporting will be imbedded in overall reporting on data quality.	

12 Advanced Learner Loans – SLC Audit

The Committee received the review of Advanced Learner Loans report. Members noted progress on action plan. Members commented on the positive report and progress made. Members noted there would be an audit revisit on 12th December 2023. Members were assured, that following management actions, the area for improvement will be lifted.

13 Business Systems Information Progress Report

The COOP&I presented the Business Systems Information Progress Report. Members noted the contents of the report and the issues identified. Member noted the progress of the Business Systems and information Team since movement of the function in April 2023 due to the new Executive Structure and to align to the Strategic Plan 2023-28. Members noted the appointment of a permanent Director of Business Systems and Information due to join the Group in January 2024.

Members were assured actions were ongoing to address issues and any areas of risk.

14 New Compliance Model

Members noted the new Compliance Model was discussed above under Item 9.

15 Committee Chairs Report to Corporation Board

Members considered the business of the meeting and agreed the following items for inclusion in the Committee Feedback report to the Corporation Board.

- Financial Statements and External Audit findings report.
- Data quality and implementation of new compliance review model.
- Digital update including the Business Systems information report and the IT infrastructure annual report.

16 Any Other Business

There were no items of any other business.

17 Date and Time of Next Meeting

The next meeting of the Audit & Risk Committee is scheduled for Monday 4th March 2024, on MS Teams.

The meeting closed at 7. 00 pm

Sharon Harmon
Clerk to the Corporation

Signed: (Chair)

Date:

TABLE OF ACTIONS

Date	Minute	Action	Responsibility	Due Date
27/11/23	9	COOPI to present the new compliance review model at the next A&R committee meeting on Monday 4 th March 2024.	COOPI	Feb 24
27/11/23	10	The Clerk to add Staff health and wellbeing audit report to the March People and Transformation committee meeting agenda.	Clerk	March 24