Minutes of the Audit Committee Meeting
Held at 5pm on 06 March 2023

Present: Prue Amner, Graham Goddard, Shirley Nellthorpe and Pauline Tiller (chair)

Apologies: Ashley Cullen

In Attendance:

Mike Cheetham	RSM (by video link)
Lorna Raynes	RSM (by video link)
Paola Schweitzer	Director of Governance
Maria Vetrone	COO

———————————

M i n u t e s

1 – Standing Items

90   Attendance and Participation

Ashley sent his apologies.

91   Declarations of Interest

There were no declarations of interest.

92   Minutes

The minutes from the meeting on 29 November 2022 were **Agreed** as a correct record.

93   Matters Arising

Minute 88: Audit Committee Training & Development: RSM to consider general training the Committee might benefit from. Governors noted the internal audit reports provided an update on sector developments.

Matters for Discussion/Decision

94   Internal Audit Report: Safeguarding, spring 2023 (paper 329/23/A)

A safeguarding audit was carried out in January 2023.

The audit focused on the Single Central Record (SCR) as well as pre-employment checks, starter and refresher training. RSM gave partial assurance that the controls relied on to manage this risk were suitably designed, consistently applied and effective and that action was needed to strengthen the control framework.

Shirley, safeguarding lead governor, wasn't surprised by the issues raised as there hadn't been a permanent safeguarding senior lead within the College for some time but through her meetings with the team she was able to see they were working hard to make improvements. There was a suggestion that governors sign to confirm they'd read the annual *Keeping Children Safe in Education* update and sign in at training sessions and meetings. Pauline noted that the 2021/22 HR internal audit had also raised some concerns. Maria noted that management were aware of the issues and

risks were included in the strategic risk register. Governors believed the audit's narrow scope was a missed opportunity. Terms of reference for the remaining year's audits would be circulated to governors for comment and from 2023/24 audit scopes would be discussed when agreeing the audit plan. The Committee's 2023/24 meeting schedule will be revisited to ensure it aligned with the audit cycle.

Governors **Noted** the internal audit on safeguarding.

95   Outstanding Audit Recommendations Follow Up (paper 330/23/A)

Maria presented the outstanding audit recommendations follow up.

The report confirmed the progress made by management in implementing the internal audit recommendations raised in 2021/22. 33 recommendations had been completed, five were in progress and one had not yet started. Management was working towards revised deadlines for the outstanding recommendations. The report also included recommendations from Mazars (the College's external auditors in 2021/22), KPMG's funding assurance report and in future would include the FE Commissioner's recommendations so it would be a repository for recommendations from all external reviews. At the time of writing the report there were no internal audit recommendations for 2022/23.

Finance & Resources Committee had discussed invoicing employers for their 5% contribution prior to apprentices starting. There was a discussion about subcontracting and commercial contracts. Maria confirmed the College had a subcontracting arrangement with *Portsmouth in the Community* which was drawing down less than £100k in 2022/23. The College had a commercial contract with *Learning Curve* under which they found learners for level 2 and 3 certificates and the College had access to their online portal. Provision was delivered to over 500 learners by the College, with £427k AEB funding being drawn down by the College. This provision would be included in the 2022/23 funding audit.

Governors **Noted** the outstanding audit recommendations follow up.

96   Risk Management Policy

Maria presented paper 331/23/A setting out the updated risk management policy.

The policy provided a framework, approach and roles/responsibilities for managing risk and was in line with best practice. All identified risks were recorded on operational and strategic risk registers, with each risk assessed as either *significant/business critical*, *high*, *acceptable* or *low*. Strategic risks were monitored termly by the Senior Management Team (SMT), Audit Committee and Corporation. Operational risks were monitored by Vice Principals, Directors and Heads of Department and in each meeting of the Risk Management Action Group. Corporation agreed the policy for the first time in March 2022. This update revised names and job titles. In response to a question, Maria confirmed that the policy was a useful tool to ensure risk management within the College, but the approach was still in its infancy. Governors **Agreed** the updated risk management policy.

97 Strategic Risk Register (paper 332/23/A)

Maria presented the latest strategic risk register, highlighting movements in net risk and mitigating management action plans.

The strategic risk register contained 27 risks, of which nine were *significant* and seven were *high*. Significant risks included failure to achieve student satisfaction, failure to recruit and/or retain suitably qualified professional and teaching staff and poor staff morale. Maria drew attention to movements in net risk scores and the two new risks: *failure to ensure effective safeguarding arrangements* (previously this had been under the non-compliance risk but had been separated to provide additional focus in the light of the recent internal audit report) and *failure to implement crucial organisational restructure*. Maria noted that restructuring was critical to the College's success. It would cost over £1m and be undertaken in the next academic year. Corporation would consider these costs within the context of the 2023/24 budget but would not be asked to approve the restructuring as it was a management issue.

Graham, health & safety lead governor, stated it was too early for him to gauge if the health & safety risk had diminished however, he reported that staff were working hard to resolve outstanding issues. Prue confirmed that the learning and quality risks were consistent with the issues discussed at the recent Learning & Quality Committee meeting. Maria noted that 35% of the College's risks were business critical and management believed this was an accurate reflection of the reality of the College. Changes were highlighted in yellow and operational information had been included to provide assurance to governors on activity taking place to mitigate risks and to demonstrate how risks were escalated up if necessary.

Governors **Approved** the strategic risk register and recommended it to Corporation for approval at its next meeting.

98 Health & Safety Report (paper 333/23/A)

Maria provided an update on health & safety arrangements since the last meeting.

The report provided analysis on accident/incidents as well as an update on health, fire and safety matters. Developments included the completion of updated water systems and legionella risk assessments, the review of off-site activity procedures and training. Work was continuing to ensure there was a robust health and safety reporting cycle, focusing on impact. Maria confirmed that there had not been any RIDDOR instances since the last meeting. Governors **Noted** the health and safety report.

99 Anti-Fraud, Bribery & Corruption Policy (paper 334/23/A)

Maria presented the draft anti-fraud, bribery & corruption policy.

The purpose of the policy was to ensure preventative controls were working effectively, by providing guidance on procedures and identifying roles and responsibilities. Maria noted that this was the College's first policy and had been drawn from best practice. There were no incidences of fraud to report. Pauline asked that the policy reference the role of governors and with this amendment, governors **Approved** the anti-fraud, bribery and corruption policy and recommended it to Corporation for approval at its next meeting.

100   Data Protection Breaches

Maria stated that there had recently been a minor breach concerning an email sent externally. The breach had been reported to the Vice-Principal Information Services. At its next meeting, the Committee would consider the data protection policy.

Maria left the meeting.

101   Meeting with Internal Auditors without Staff Present

The internal auditor noted that Maria and her team were very open about the number of issues to resolve within the College and recognised it was likely to take time to resolve them. Governors noted the issue of management capacity.

The meeting ended at 7.10pm.