Colchester Institute Corporation

Minutes of a Meeting of the Audit and Risk Committee
held on 23rd March 2023
at the Colchester campus

Present

Lisa Blake, in the Chair   Jasmin Patel
Mark Davies   Terry Smyth
Irene Kettle

In Attendance

Alison Andreas   Principal and Chief Executive
Clare Lavery   Audit Manager, TIAA, Internal Auditor
Gary Horne   Deputy Chief Executive
Hazel Paton   Clerk to the Governors

Jasmin Patel was welcomed to her first meeting of the Audit and Risk Committee.

1. **Apologies for absence**
    There were no apologies for absence.

2. **Declaration of any conflicts of interest regarding any items on the agenda**
    None.

3. **Agreement to Starred Agenda Items**
    Members were invited to indicate any items which they wished to star for discussion or question. Items that were not starred were noted and/or approved by the Committee without discussion.

4. **Minutes**
4.1. The minutes of the Audit and Risk Committee meeting held on 28th June 2022 (CIC/AR/23/1/1) were received and approved as an accurate record. The Chair signed the minute book.

4.2. The minutes of the joint meeting of the Audit and Risk and Finance and Resources Committees held on 8th December 2022 (CIC/AR/23/1/2) were received and approved as an accurate record. The Chair signed the minute book.

5. **Matters Arising from the Minutes**
    CIC/AR/23/1/3, Audit and Risk Committee Action Log, was received and noted.

6. **Internal Audit**
6.1. The Committee received and noted:

    - CIC/AR/23/1/4, Assurance Review of Business Continuity
    - CIC/AR/23/1/5, Compliance Review of Curriculum Planning and Learner Numbers
    - CIC/AR/23/1/6, Assurance Review of Temporary Staffing

    The Committee congratulated staff on the achievement of two substantial and one reasonable assurance opinion, demonstrating that internal controls were working effectively in these areas.

6.2. It was noted that an area of good practice identified in the Compliance Review of Curriculum Planning and Learner Numbers was the use of EMSI in curriculum planning. A Member commented that it would have been helpful to see an example of how labour market intelligence had been used to bring about

a change in the curriculum. **Action:** the Internal Auditor agreed to provide more context outside the meeting.

6.3.   CIC/AR/23/1/7, Cyber Security Maturity Assessment advisory report, was received. The Committee:

- Noted the work that had been done over the last 18 months to rebuild a robust system in line with good practice.
- Questioned the College Executive on the gaps in training highlighted in the report and was advised that in some respects this was linked to the weaknesses in delivery of HR services, including college wide training, identified in the Assurance Review of Recruitment and Training. A comprehensive training plan will be initiated for 2023-24.

6.4.   The Committee received CIC/AR/23/1/8, Assurance Review of Recruitment and Training, and questioned the College Executive on the key findings. In response it was reported that:

- Good progress had been made in terms of meeting the recommendations. A wider HR action plan had been developed which would be received by the Finance and Resources Committee at its meeting on 29th March 2023.
- The Safer Recruitment Policy and the Vetting Checks and Single Central Register Policy were being updated to ensure they better articulated college requirements and staff responsibilities.
- Weaknesses within the HR department in terms of aligning their procedures to the policies were being addressed.
- Significant progress had been made in developing a new reporting system for shortfalls in mandatory training, which would be received by the College Executive (fortnightly) and the Finance and Resources Committee (at each meeting). Completion of mandatory training was not a major failure, and compliance levels were in the high 90% range. It was reported that the target for mandatory training had been increased from 95% to 97% as an aspiration for all departments.
- The rationale for a target of less than 100% for mandatory training was that there were always people, such as those on maternity leave or long-term sick, who could not complete the training in a timely manner.
- There were a number of areas that the Executive wanted to address, and a 90-day action plan was being taken forward. The immediate priority had been to ensure compliance with the statutory requirements in Keeping Children Safe in Education. A full file check was being undertaken to ensure there was a DBS report or a validated risk assessment for each member of staff.

The Internal Auditor reported that there would be a full follow-up of all actions that were due to be implemented by the end of March which could be circulated outside the normal meeting cycle to give Committee Members assurance that new controls were working. This was welcomed by the Committee. **Action:** Internal Auditor.

It was agreed to revisit this at the next meeting to ensure Members were satisfied that the right level of activity had been undertaken.

6.5.   CIC/AR/23/1/9, Internal Audit Progress Report, was received and noted. The Internal Auditor reported that College management were proactive in responding to actions and that there were no outstanding recommendations.

The Committee noted that a number of briefings on developments in Governance, Risk and Control had been issued in the last three months and sought assurance that the College had seen these and taken action as required. The Deputy Chief Executive confirmed that the briefings had been circulated to relevant managers and staff. Assurance that action had been taken would be through follow up as part of the internal audit programme.

Going forward, it was agreed to take the Progress Report as the first agenda item under Internal Audit, and that the Committee does not need to receive any report in full that had received a substantial assurance opinion, but these would be noted for completeness of the minutes.

6.6.   Given the recent changes in the HR Department and removal of a senior post from the management structure Governors sought assurance that the College still had the necessary skills and capacity to deliver the HR function. It was reported that an additional HR Business Partner was joining the HR team on 28 March. Also, it was hoped that the recent structural changes had enabled the finance team to take on more of the day-to-day finance operations, giving the Deputy Chief Executive more time to oversee the HR function. In the fullness of time, the new structure would be reviewed to ensure it was appropriate. The Deputy Chief Executive gave an overview of the current HR team and reporting lines.

7.   **Assurance Dashboard incorporating Audit Tracker**
CIC/AR/23/1/10, Assurance Dashboard 2022-23, was received and noted.

8.   **Risk and Assurance Report on Subcontracting 2021/22**
CIC/AR/23/1/11, Risk and Assurance Report on Subcontracting 2021/22, was received and noted. The Committee noted the Significant assurance opinion for 2021/22 and sought the Executive's view on the College's ability to achieve a strong assurance opinion in future years. It was reported that the opinion was dependent on the number of recommendations, and the College had previously received a strong opinion. The apprenticeship regulations are changed regularly, and the College engages consultants to advise on the interpretation of the regulations.

9.   **Value for Money Paper 2021/22**
CIC/AR/23/1/12, Value for Money Paper 2021/22, was received and noted. The Deputy Chief Executive drew the Committee's attention to the key points, including:

- Course costings and the improvement in contribution (before central overheads) from FE and Apprenticeships compared to the previous year.
- The review of estate benchmarks and the four areas that were not achieving what was deemed to be an acceptable financial contribution.
- An overview of the savings achieved through the procurement function.

Governors said it would be helpful if future reports also reflected non-financial considerations of Value for Money, such as quality. **Action**: The Deputy Chief Executive agreed to include this aspect in the report for the 2022/23 academic year..

Arising from the discussion it was reported that the financial situation for all colleges was now perilous because of the lack of support for inflation and energy costs. The cost of supplies and services had increased by at least 10% and in some areas of delivery by up to 30%.

10.   **Risk Management**

10.1.   **Notes from Risk Management Committee**
The notes of the Risk Management Committee meetings held on 9th November 2022 (CIC/AR/23/1/13) and 8th March 2023 (CIC/AR/23/1/14), were received and noted.

10.2.   **Corporate Risk Register**
CIC/AR/23/1/15, Corporate Risk Register as at 09/03/23, was received and the highest risks reviewed. The Deputy Chief Executive reported that HR risks needed to be reviewed and updated to reflect the outcomes of the Assurance Review of Recruitment and Training.

Governors:

- Asked how the College gets assurance that the task and finish actions have delivered the intended outcomes. It was reported that task and finish actions are constantly reviewed and updated by the College Executive.
- Noted that the target dates for some task and finish actions had been missed and asked if these were still being worked on. The Principal thought that overdue actions were still being worked on.
- Questioned if task and finish actions which had a target date which was ongoing were actually controls. This was accepted by the Executive.
- Were reassured that the changes in risk owners as a result of the restructure were in hand and the changes would not add to any of the risks. The new risk owners were current members of the College Executive and already had an awareness of the risks through their participation in the regular review of the Risk Register at CE meetings.
- Were reassured by the Internal Auditor that the Risk Register was embedded and used by the Executive to inform decisions, reflecting the maturity of risk management within the organisation.

10.3. **Effectiveness of Risk Framework**
CIC/AR/23/1/16, Annual Assurance Report on effectiveness of risk framework 2021-22, was received, considered and APPROVED.

11. **Reports under the College's Fraud Policy**
It was noted that there had been no reports of suspected fraudulent or irregular acts under the College's Fraud Policy since the last meeting of the Audit and Compliance Committee.

12. **Health and Safety Committee**
12.1. The Minutes of the Health and Safety Committee meetings held on 14th November 2022 (CIC/AR/23/1/17) and 20th February 2023 (CIC/AR/23/1/18) were received and noted.

12.2. CIC/AR/23/1/19, Health and Safety Committee Annual Report 2021/22, was received and noted.

13. **Policy Review**
The Committee received, considered and APPROVED:

- CIC/AR/23/1/20, IT Security Policy
- CIC/AR/23/1/21, Data Protection Policy

14. **Data Protection/Freedom of Information**
CIC/AR/23/1/22, Data Protection/Freedom of Information Annual Report 2022, was received and noted.

15. **Review of Meeting**
The Committee reviewed the effectiveness of the meeting and agreed the items to be treated confidentially and items to be brought to the attention of the Board.

The challenges of providing the best education and outcomes for learners at the same time as having to carefully manage cashflow and revenue was discussed. The Deputy Chief Executive reported that the annual strategic meeting with the ESFA/DfE in April would provide a one-off opportunity to have an open discussion with officers about the issues, which they could feed through to Ministers.

16. **Date of next meeting**
Thursday, 6th July 2023 at 4.30pm at the Colchester Campus.

17. **Any other Urgent Business**
There were no items.