

MINUTES

**Audit and Risk Committee Meeting
held via Microsoft Teams
Tuesday 24 September 2024 at 18:00**

Date and timings:	18:00 to 19:58
Location	via Microsoft Teams
Present (Governors):	Paul Gribbon (PG) (Chair) Sue Leonard (SL) Linda Everard (LE) Co-opted Governor Aaron Thompson (AT)
Clerk to the Corporation	Lana Jackman (LJ) Group Executive Director Governance and Strategy
Minutes	Carrie Brown (CB) Head of Governance
In attendance	Zed Mohammed (ZM) Vice CEO Finance and Infrastructure Paul Goddard (PGO) (Scrutton Bland) Keri Williamson (KM) (Scrutton Bland) Stuart McKay (SM) (MHA) Ansar Mahmood (AM) Vice CEO MIS, IT and Marketing Adam Fahey (AF) Deputy CEO Curriculum and Quality Jayne Sheehan (JS) Vice CEO Innovation and Employment Engagement Andrew Overs Dowsett (AD) Independent Governor
Apologies	Denise Brown (DB) Group CEO
Quorum (4)	
Item	
0.0 Agenda	
1.0 Preliminary items.	
1.1 Apologies for Absence.	Apologies for absence were received from Denise Brown- Group CEO.
1.2 Declarations of Interest.	There were no other new declarations of interest other than those already standing <i>(in accordance with the requirements of section 177 of the Companies Act 2006)</i> .
1.3 Urgent items of other business.	None.
2.0 Election of Committee Chair	Deferred until Committee membership has been reviewed and approved at Corporation Board.
3.0 Minutes of previous meeting.	
3.1 Terms of Reference.	The Audit and Risk Committee <u>RESOLVED TO FORMALLY APPROVE</u> the Terms of Reference as presented with the amendments outlined below.

PG and SL note that the references to Policy and Resources Committee (under membership) need to be amended to reflect a finance committee noting the new Board structure.

LE notes that the guidance states that Staff Governors should not be on the Audit and Risk Committee however, the Terms of Reference allow for this and should this be within our Terms of Reference. PGo gives some content to this ESFA decision. AT asks that there is more discussion around this matter.

ACTION: PG to raise this matter at the Corporation Board meeting to obtain a wider view.

PGo notes that the ESFA is being blended into the DfE and therefore all references to the ESFA should be removed to future proof the Terms of Reference.

PG details the need for references to the CEO and Principal to change to Group CEO.

3.2 Minutes of the meeting held on 18 June 2024.

The Minutes of the meeting held on 18 June 2024 were **APPROVED** as an accurate reflection of the meeting.

3.3 Matters Arising.

None.

4.0 2023-2024 External Audit progress report.

SM gives a verbal update on the SECG External Audit noting the Teachers' Pension Audit and has been filed and complete and the subsidiaries audits are almost complete. SM notes that the Audit for SECG will begin next month.

SM details that the communication with SECG for the Audit has been positive.

AD asks if the Audit findings are RAG rated? SM notes that these are rated as A, B, C and all of these are added into the Audit Findings Report. SM gives a detailed outline of the process for the Audit Findings Report.

PG notes how positive the feedback is and how pleased he is with the positive working relationship.

5.0 Internal Audit Plan 24-25.

The Committee **FORMALLY APPROVE AND RECOMMEND TO THE CORPORATION BOARD** the Internal Audit Plan 24-25.

PGo introduces KW to the meeting as the SECG Risk and Assurance Client Manager.

The Internal Audit Plan 2024-2025 is presented to the Committee noting the process undertaken to get to the presented document including linking with the Executive Board and adding in the three year plan element.

PG details the usefulness of the document including the three year plan. PG thanks PGo for his efforts on this. PG asks how this compares with 23-24 number of audit days? PGo notes that this plan has more days but this is within 10%. ZM notes the work that has gone into the scope of this Audit plan.

PG felt that the mapping of the audits against the risk register was important. PG notes that only two audits are taking place in Autumn Term and asks if this balance could be reviewed? ZM confirms that this is due to this year being an Ofsted year and the resource management for the audits and upcoming inspection.

PG asks if the Risk Management audit could be brought forward? ZM notes the rationale behind the timing of this audit is due to the changes in the management structure and having time for these to embed. LE felt that this time would be better spent on training staff to use the Risk Register fully.

AT notes the audit for procurement and highlights the changes in legislation for this area and asks if it would not be advisable to move this audit forward given these changes? ZM responds that this change is taking place February 2025 however, with the dissolving of ESS Ltd SECG has a staffing gap in this year in the procurement role which needs to be addressed.

AT asks why subcontracting is reviewed every year? JS responds that this is a requirement of having a subcontract for the Adult Skills Fund. AM details the risks around subcontracting for 16-18s and therefore this needs to be completed annually. PGo adds that these audits build in the assurance for SECG around the subcontracted provision.

AT notes that GDPR audit has been listed in 2025-2026 and notes high number of reprimands from the Information Commissions office to Public Sector authorities asking if in light of this should this audit be expedited? PGo notes parts of this have been covered in the Information Audit however, this will be a more comprehensive audit.

AT notes that in his practice the fees for each audit are attached to the plan to have the oversight of the costs for the plan and asks if this could be done here? SL responds that this addition would be too operational and the Committee should be more strategic in its oversight. PGo to add a line of the overall cost of the plan.

6.0 Internal Audit Reports.

6.1 Health and Safety.

The Committee **REVIEW AND NOTE** the Health and Safety Audit report which gives Reasonable Assurance.

PGo notes that there is reasonable of appropriate processes in place however there needs to be more of a focus on closing off the process and demonstrating when the process has been closed off.

PG summarised that the key take away is that staff are recording everything and being diligent but this comes with the risk that these incidents stay open and are not fully resolved.

6.2 GLA subcontracting.

The Committee **REVIEW AND NOTE** the GLA subcontracting Audit report which gives Significant Assurance.

KW notes that there is sufficient monitoring practices in place, KPIs were fully monitored and QA visits are comprehensive. KM outlines the low risk recommendations which are surrounding the transparency of fees and the signing of the learner agreements.

6.3 Information Governance.

The Committee **REVIEW AND NOTE** the Information Governance report which gives Reasonable Assurance.

KW notes that this looked at the SECG's compliance with UK GDPR concluded that there is progress being made in relation to GDPR and it is being used to embed controls through staff communication. There are strong controls in relation to access rights for staff and the reported completion rates for GDPR training are high.

KW adds that there are 4 medium recommendations and 6 low risk recommendations which is slightly higher than the other College clients. KW notes that the DPO role is currently with AM and these need to be accessed fully for potential conflicts with his Vice CEO role. KW details the need to raise staff awareness of the DPO role and to update Policies and Procedures to reflect who is taking on this role.

PG comments that he will be interested in the management review of who the DPO should be.

PG asks for clarity around the student element recommendation? KW responds that there is a need for the guidance around the use of the MS Teams channels for learners particularly in relation to the sharing of sensitive information.

6.4 Internal Audit Follow-up of Previous Recommendations.

The Committee **REVIEW AND NOTE** the Internal Audit Follow-up of Previous Recommendations report which notes Good Progress.

KW details that of 41 previous recommendations 21 have been implemented, 2 superseded and 12 are in progress or part implemented. KW adds that 6 are outstanding, 4 of which are medium- one in relation to OFS compliance review, one related to HE recruitment and the two related to high value procurement.

AT notes the OfS Conditions of Registration compliance and asks where in the new Governance structure will the Governors be provided with a regular RAG-rated report on each area of the OfS Conditions of Registration compliance? CB responds that this will be discussed with the new Chair to find the 'best fit' for this to be reviewed.

LE inquired whether the Auditors were satisfied with the explanations for the missed due dates. PGo responded that the delays were due to various factors, including overly optimistic initial deadlines, software changes, and significant process adjustments. PGo further explained that the approach to tracking previous recommendations within the college is under review to help SECG become more proactive.

ZM added that SECG is currently in the first stage of assigning audit recommendations to the relevant SLT lead. There will be a focus on these assignments to ensure that completion dates are both realistic and achievable.

AD asks if the Internal Audit reports could be saved in a format which allows them to be searched as the current PDF versions prevent this.

SL notes her concern about the slippage in the HE recruitment and she looks forward to seeing the strategic document for this. AF details that this is still an area for concern.

LE praised the audit reports, noting that both the writing and the recommendations were clear and focused on actionable steps.

PG notes the outstanding recommendations for high value procurements and asks if the move to have the finance function in house will yield improvement in this area? ZM notes that the move of finance in house has given more transparency and SECG is following more rigorous processes and has more control however this is the beginning of the process.

6.5 Internal Audit Progress Report.

The Committee **REVIEW AND NOTE** the Internal Audit Progress report which includes a draft audit schedule for the next academic year.

PG praises the clarity and usefulness of this high level view report with future planning and something that the Committee hasn't had before. PG thanks PGo for his effort in constructing this.

7.0 Audit Recommendations Monitoring Report.

The Committee **REVIEW AND NOTE** the Audit Recommendations Monitoring Report.

ZM presents the report detailing the progress against the recommendations noting that the two audits being signed off in quick succession has given a large number of audit recommendations. ZM acknowledges the number of recommendations and notes that SECG is working hard to resolve these. ZM adds that SECG is working to ensure that the audit is complete and signed off by the DfE deadline of 31st December which hasn't happened in a number of years.

PG notes the importance of getting the audit cadence in place.

AT asks if there could be an action tracker instead of having multiple reports and the tracker could be presented to the Committee instead? ZM agrees to this action. SM notes that the completion of these recommendations will be drawn on in the management letter at the end of the 23-24 Audit and formally report back to the Committee on whether the recommendations have been closed down.

AD notes the action point on the website and notes that the new Chair has not been changed on the SECG website and felt that this should be updated. ZM responds that SECG are working to get the actions completed but managing expectations there are a number of things being juggled at once and there is a lot of effort being put in to get these ticked off. CB gives an update noting that she has spoken to marketing as the Governance section of the website needs to be updated due to the new Board Structure and this is scheduled to be completed post the Corporation Board meeting. AM agrees to have the members of the

Corporation Board updated on the website noting that this will be a simple list until the website update is completed.

SM notes that Committee members need to be mindful of timing the recommendations from Price Bailey were given essentially a quarter of the way through the new financial year and therefore some of these things cannot possibly have been cleared off- this will be a two year process to get a clean audit and expectations need to be managed around this.

8.0 Value for Money Annual Report.

Deferred.

9.0 Risk Management.

9.1 Risk Register.

The Committee **REVIEW AND NOTE** the Risk Register.

ZM presents the Risk Register noting the key risks. ZM notes that the two air handling units have been replaced at a significant cost to the SECG cash flow, however SECG has ten air handling units and the other eight are coming to end of life.

ZM details that the compliance with Cyber Essentials Plus required a replacement of IT equipment costings around £300k. AM notes that the SECG IT Infrastructure had not been invested in for almost ten years before this injection of investment. AM adds that with Windows 11 coming in next year most of the IT equipment would not have been compliant.

SL asks if SECG is expecting the subcontract at the same level as last year this year? JS confirms that this will be the case but there will be less subcontracting to the GLA.

SL asks if there is an update on the recruitment? AF notes that recruitment as of 9th September 2024 16-18 recruitment is at 4686 not including the learners anticipated from subcontracting. AM confirms that at the Corporation Board meeting will have access to the dashboards to have access to the live data.

PG notes the achievement of SECG achieving the Cyber Essentials Plus certification is commendable. AM details the comments that Jisc stated that network protection at SECG is one of the best in the area. AM notes that SECG is constantly looking at different ways of protecting the network and equipment.

10.0 Confidential Items.

11.0 Committee Evaluation.

The Committee Evaluation to be completed via email outside of the meeting. SL and PG thanked CB for including the questions within the ARC Papers in advance of the meeting.

12.0 Urgent other business.

13.0 Dates of future meetings.

Tuesday 3 December 2024, 18:00, MS Teams

Tuesday 4 March 2025, 18:00, MS Teams

Tuesday 20 May 2025, 18:00, MS Teams

There being no further business the meeting ended at 19:58 hrs

Signed.....Dated.....

Matters Arising and actions from previous meetings.

Actions to be confirmed ongoing/completed

Actions confirmed completed will be removed from the table.

Item	Actions	Deadline	Lead	Status
Actions from 24 September 2024				
3.1	Terms of Reference- Staff Governors should not be on the Audit and Risk Committee however, the Terms of Reference allow for this and should this be within our Terms of Reference. PG to raise this matter at the Corporation Board	8/10/2024	PG	
4.0	Internal Audit Plan 24-25 to have the final costings added into the report	December 2024	PGO	
6.4	Governors be provided with a regular RAG-rated report on each area of the OfS Conditions of Registration compliance- with the new structure which Committee will this be going to?	December 2024	CB	This will come to the Corporation Board December and July to review.
6.4	Audit reports to be saved in the format that enabled them to be searched.	December 2024	PGO	
7.0	Audit Recommendations Monitoring report to be an action tracker that comes to the Committee	December 2024	ZM	
7.0	Corporation Board to be updated on the website noting that this will be a simple list until the website update is completed.	October 2024	AM/CB	
12.0	PG to follow up with LJ and CB with the results of the Audit and Risk Committee check list		PG/CB/LJ	

ⁱ The code of conduct for Governors requires governors to be honest and open with regard to conflicts of interest (either real or perceived). Governors must not use their position for personal gain in business, political or social relationships. Therefore, a governor who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter.