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EXETER COLLEGE FURTHER EDUCATION CORPORATION

AUDIT AND RISK ASSURANCE COMMITTEE

Minutes of the meeting held on Monday 10 June 2019 in the Board Room, Hele Road, Exeter College

Present	Sarah Brampton	
	Jo Matthews	
In Attendance	John Laramy	Principal
	Steve Campion	Vice Principal, Finance and Business Operations
	Rob Bosworth	Vice Principal, Schools, Partnerships and Curriculum
	Kate Barczok	College Accountant
To item 9	Clive Fitzgerald	Tiaa
To item 11.6	Nathan Coughlin	Bishop Fleming Accountants
	Alison Layton-Hill	Clerk to the Corporation
Apologies	John Coombs	Co-opted

			Action
1.	**Welcome, Apologies and Declarations of Interest**		

The Chair welcomed colleagues to the meeting.

Apologies were received from John Coombs. Dave Underwood was not in attendance and gave retrospective apologies.

There were no declarations of interest.

2. **Minutes**
2.1 The minutes of the meeting held on 6 March 2019, as circulated, were agreed and signed by the Chair.

3. **Matters arising**

4. **Risk Management Update**
4.1 Risk Register (June 2019)
The Vice Principal, Finance and Business Operations tabled the updated risk register which had been reviewed by SLT on 10 June 2019. He gave an overview of the high risks.

The Committee noted that the recommendations from the Augar report were positive and hoped that a selection of the recommendations made will be implemented.

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High risks remain in terms of Brexit, apprenticeships, competition for HE, staff recruitment, safeguarding for residential accommodation, the nursery project, IT security and Flybe.

The Committee established that following changes within the leadership team, appropriate risk owners had been allocated. The Committee also discussed the need for there to be a link between the risk register and the audit plan and were assured that there is cross referencing in place.

The Committee voted to recommend the risk register to the Board on 5 July 2019   Clerk

Unanimous

Gemma Noble, Director of People and Organisational Development joined the meeting for item 5.1.1 only

5.   **Internal Audit Reports**
5.1   Project Reports
      The Chair invited Tiaa to present the internal audit reports that had been circulated with the papers.

5.1.1 Human Resources
      The Committee was reassured that the recruitment processes within the college are providing substantial assurance. One minor recommendation was noted, that all new employees should complete the online training modules.

      The Committee was pleased with the outcome of the audit and expressed its thanks to Gemma.

5.1.2 Health and Safety
      The Committee was reassured that the Health and Safety audit provided substantial assurance. The only issue was that the outdoor activity centre risk assessments appeared not to have been reviewed for some time. After further review, this work had been done but the review dates had not been updated.

      The Committee was further reassured that the educational visits process and business continuity are being fully reviewed to ensure appropriate accountability.

5.1.3 Curriculum Planning
      The Curriculum Planning audit also resulted in substantial assurance, with no recommendations.

      The Committee noted the project reports

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5.2   Summary of Year to Date Internal Audit Service

5.2.1   Governors received an update of the work that Tiaa had undertaken during 2018/19. Tiaa confirmed that 44 days of audit had been planned for and delivered as expected. The IT audit, sub-contractor audit and data assurance review are to be undertaken by the end of July, although the sub-contracting audit may not be required.

The Committee noted the report

5.2.2. Tiaa Annual Plan for 2019/2020

Governors were presented with Tiaa's internal audit programme (45 days) for 2019/2020, which was referenced to the risk register.

The Principal suggested that there would not be merit in undertaking the Marketing audit as there will be a new Head of Faculty. The College had benchmarked audit subject areas and time allocation against others with a similar turnover. The subject areas appeared to align, however the average audit days was in the region of 30 to 35 days.

The Committee agreed to consider the internal audit plan at the Audit and Risk Assurance Committee in September 2019 for agreement and subsequent approval at the Board meeting in October 2019.   Clerk

6.   **GDPR Update**

The Vice Principal gave an overview of progress, particularly in terms of training and awareness of GDPR. 62% of staff had completed the training, the College has a dedicated data protection lead and approximately 20 'data guardians' had been appointed. The College is pleased with progress and there had been no reportable breaches.

Tiaa advised that the Information Commissioner's Office (ICO) had been undertaking voluntary audits and the recommendations can be viewed on the ICO website.

It was suggested that the data protection lead present an update to the Audit and Risk Assurance Committee in September 2019, including reference to the ICO recommendations.

The Committee agreed to receive a GDPR update presentation at its meeting in September 2019   Clerk

7.   **Internal Audit Action Plan**

7.1   Progress Update

The progress update report had been circulated with the papers and the Committee noted that the actions are progressing well. The senior leadership team is planning an exercise in July in terms of business continuity and will report back to the Committee.

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The Committee noted the report

Rob Bosworth, Vice Principal, Schools, Partnerships and Curriculum and Jade Otty, Vice Principal Performance joined the meeting for item 8 only.

8.   **Deep Dive**
8.1   HE Funding
The Committee received a verbal update in terms of HE Funding.

There has been a significant decline compared to the previous year's outturn and the number of students has also reduced. However, it was noted that the Augar review is positive and that the college is well placed in terms of the Institute of Technology, which will be adult focused and a highly professional space.

The HE offer has been reviewed in terms of the viability of existing courses and the Committee reviewed those courses that are not recruiting well and will be removed. The Committee agreed the need to ensure meaningful courses, that overlay the economic needs of the area and that provide routes to employment, are offered. It was noted that 16-18 and Apprenticeship courses are recruiting well.

The Committee noted that a reduction in 1000 hours had been accounted for and that a further 500 hours reduction is likely to be achievable, potentially through the joint delivery of courses. Governors were assured that the required budget savings are manageable within the financial plan.

More consideration is required by both SLT and the Board about what the HE offer will be moving into the future and how that will be reflected in the Strategic Plan.

Clerk

The Committee noted the report and agreed to receive an update at the next Audit and Risk Assurance Committee.

Tiaa left the meeting

9.   **Financial Statements Audit**
9.1   Strategy for 2018-2019
Bishop Fleming attended to update governors on the external audit plan and the risk areas, most significantly 'management override of controls' and 'Fraud in revenue recognition'. 'Capital projects' and 'Pension assumptions' were identified as heightened risks.

Bishop Fleming would not recommend consolidating Exeter College Apprentices Ltd at this time, however it may be required to have a separate audit next year.

The Committee thanked Bishop Fleming for their report and noted that their consistent team and knowledge of the College is helpful.

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The Committee agreed to recommend the external audit plan to the Board on 5 July 2019.   Clerk

10.   **Committee Self Evaluation**
The Chair led a discussion on the Committee's effectiveness over the past year. Governors considered the following areas: Goals and purpose, resource and support, time and location of meetings, quality of discussion and decision making, attendance and contribution.

The Committee agreed to receive a narrative to consider at the autumn meeting   Clerk

11   **Reporting and future planning**
11.1   Post 16 Audit Code of Practice (February 2019)
The amendments to the updated code were considered by the Committee which focused on additional guidance for preventing and managing fraud and that procedures must be in place to identify fraud, theft, bribery, corruption, irregularity or other major weakness in accounting or other control frameworks.

The Committee agreed to recommend adoption of the updated Code to the Board on 5 July 2019

11.2   Membership of Audit and Risk Assurance Committee 2019-2020
Governors noted the Committee membership for 2019-2020 and acknowledged that as the Committee is still light on membership it will be a priority when new governors join.

The Committee approved the Audit and Risk Assurance Committee membership for 2019-2020

11.3   Terms of Reference
11.4   Items to take to Board
The Committee agreed to take the following items to the Board:
- Updated risk register for approval
- Recommend Bishop Fleming's audit plan to the Board for approval
- Recommend the Post 16 Audit Code of Practice to the Board for approval
- Committee Membership for information

11.5   Items for next meeting
The Committee reviewed the cycle of business for the 16 September 2019 meeting and agreed on the following additional items to be included on the agenda:
- Internal Audit reports from Tiaa
- Deep Dive into Flybe (September)
- Student Residential (November)

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11.6   Review of Tiaa
This item was dealt with as a confidential item in accordance with the College's confidentiality policy and recorded in the confidential minutes.

12.   **Dates of Next Meetings**
Monday 16 September 2019
Monday 18 November 2019
Monday 9 March 2020
Monday 15 June 2020

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