

EXETER COLLEGE FURTHER EDUCATION CORPORATION

AUDIT AND RISK ASSURANCE COMMITTEE

Minutes of the meeting held on Monday 15 November 2021 via Zoom

Present	Sarah Brampton Neil Hitchings Jo Matthews Rob Hutchins Adele Westcott	Chair Vice Chair
In Attendance		
<i>To item 8</i>	Richard Church	Chief Financial Officer
<i>Item 6 and 7 only</i>	Kate Barczok	College Accountant
<i>Item 2.1 only</i>	Gemma Noble	Director of People and Organisational Development
<i>Item 2.2 only</i>	Lisa Smith Nathan Coughlan	Assistant Principal Bishop Fleming
	Alison Layton-Hill	Clerk to the Corporation
Apologies	None	

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| 1. | <p>Welcome, Apologies and Declarations of Interest</p> <p>The Chair welcomed colleagues to the meeting with a particularly welcome to Nathan Coughlin from Bishop Fleming.</p> <p>The Chair acknowledged that this would be Jo Matthews' final meeting. She warmly thanked Jo for agreeing to remain as a co-opted member of the committee for an additional year and noted Jo's valuable contribution to the Committee.</p> <p>There were no apologies or declarations of interest received.</p> <p><i>Gemma Noble joined the meeting</i></p> | Action |
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| 2. | <p>Deep Dive</p> | |
| 2.1 | <p>Failure to recruit high quality staff and managers</p> <p>The Committee received a presentation of assurance from the Director of People and Organisational Development highlighting the challenges currently being faced in terms of recruitment and the mitigations the College has put in place.</p> <p>The Committee questioned whether other Colleges are facing similar issues and whether Devon colleges were competing for the same staff. It was acknowledged that there is an element of movement of staff between</p> | |

providers. However, the College's courses are growing and therefore there is greater need to recruit from industry.

The Committee noted the effort that is put into recruiting staff but sought assurance that this is not impacting on the retention of existing staff. It was confirmed that the College is conscious of the need to ensure current staff are valued and in cases where recruitment incentives are implemented market forces payments were also made available to existing staff.

Governors questioned whether offering more hybrid working for support staff would support recruitment. The College does allow for flexibility at the discretion of the heads of department, however it was thought that most staff appreciate the culture of the College and enjoy being in College. The College continues to monitor any impact and will adapt if it becomes an issue.

The Committee thanked the Director of People and Organisational Development and noted the assurance provided by the presentation.

Lisa Smith joined the meeting

2.2 Failure to meet Safeguarding and Prevent requirements

The Committee received a presentation of assurance from the Assistant Principal who explained the controls and mitigations from the perspective of the governing body, HR, Students and Staff.

The Committee acknowledged the level of work that had gone into ensuring that safeguarding practices and processes are effective but questioned what additional mechanisms are in place to be assured that learners really do understand what is available to them. It was confirmed that the level of students' understanding is tested during learning walks, through informal communication and as part of the induction and on course learning surveys. The College also intends to launch a deep dive internal inspection process which follows the Ofsted inspection model.

Governors queried whether lessons are learnt following incidents occurring and were informed that the College has an experienced team with excellent links to other multi agencies to ensure staff are fully informed of the latest developments. Additional support has been provided to faculty heads to ensure they are confident and following correct processes. It was confirmed that the College signposts some referrals to other agencies but also independently deals with issues through its own internal support services.

The Committee sought assurance that the safeguarding team is sufficiently resourced and noted the additional posts and expertise within the team. It was also noted that all staff undertake mandatory safeguarding training every two years and confirm their understanding of Keeping Children Safe in Education every year.

The Committee thanked the Assistant Principal and noted the assurance provided by the presentation

3. Minutes

3.1 The open minutes of the meeting held on 13 September 2021, as circulated, were agreed.

3.2 The confidential minutes of the meeting held on 13 September 2021, as circulated, were agreed.

4. Matters arising

There were no matters arising

5. Risk Management Update

5.1 Risk Register

The Committee received and considered the updated risk register, which had been reviewed by the senior leadership team. Governors received an overview of the high risks. Several risks had been escalated from medium to high, mainly related to the growth of the College.

The Committee noted that two new risks had been added:

R64 – failure to accommodate large exam sittings due to space and any continued impact of Covid.

R65 – Uncertainty regarding 2021/22 exams dates and methodology due to further guidance being awaited and the fact that many students had no experience of exams.

It was noted that the risk register had been linked to the three key areas of the new strategic plan, which was welcomed.

Referring to R64, the Committee questioned whether budget restrictions were impacting the risk. Governors were reassured that the College was able to fund additional space and that it had leased additional buildings.

Committee members requested additional information about the Masterplan and the strategic plan to better understand the associated risks.

The Committee agreed:

a) to recommend the risk register to the Board on 10 December 2021

Clerk

b) that the Chief Financial Officer will meet with committee members to provide the requested additional information

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5.2 Risk Management Annual Report to Corporation

The Committee received the report. The Chief Financial Officer confirmed that the Annual Report summarised the activities relating to risk management for the year. The Committee acknowledged the excellent work that had been undertaken.

The Committee agreed to recommend the Risk Management Annual Report to the Board for approval at its meeting on 10 December 2021.

Clerk

6. Financial Statements

6.1 Key Issues Discussion Document (KIDD)

The report was received and the external auditors updated the Committee on the Key Issues Discussion Document. The auditors had completed the fieldwork and received all that was required to be able to issue a clean audit opinion, subject to the outcome of the ESFA's funding audit and Board approval of the financial statements and receipt of the letters of representation. Bishop Fleming gave an overview of the audit process and confirmed that the audit had proceeded smoothly.

The report summarised the significant risks identified and the work completed to address the risks. There was no management override of controls and no significant issues in revenue recognition. There were no issues relating to capital projects and capital grant funding and no material errors related to pension assumptions.

Referring to fair value of embedded financial instrument for Exeter College Services only, the profit share contract was discussed and intentions clarified.

Following testing, there was no concern over regularity and the auditors were comfortable to give an unqualified opinion. In terms of the auditor's work related to risk, compliance and regulations they were content that key controls are in place.

There were no issues related to going concern, the College is in a strong financial position. It was noted that the College intends to invest in buildings and will need to carefully monitor cash flow in the case of significant commitments.

The Committee questioned if there had been any initial feedback following the ESFA audit. The external auditor confirmed no issues were raised concerning data accuracy during their work. The Chief Financial Officer advised that the ESFA was complimentary about the College's checks and rigour and it was hoped that the outcome of the audit would be positive. The Committee thanked all staff involved in the audit.

The Committee agreed to Recommend the Key Issues Discussion Document to the Board on the 10 December 2021

Clerk

6.2 Financial Statements – Exeter College

The financial statements were received and noted. They would be scrutinised by the Business Services Committee on the 22 November 2021 and, subject to scrutiny, recommended to the Board.

The Committee noted the financial statements.

- 6.3 Regularity self-assessment report
The Committee received and considered the reports, which require the signature of the Chair of the Board.

The Committee agree to recommend the Regularity Self-Assessment 2021 and the Regularity Covid Self-Assessment 2021 to the Board at its meeting on 10 December 2021. Clerk

- 6.4 A Plus Training (SW) Ltd, Exeter College Apprentices Ltd and Exeter College Services Ltd (including letter of support)
The accounts for the subsidiary companies were received and noted. They would be scrutinised by the Business Services Committee on the 22 November 201 for recommendation to the Board.

It was noted that Exeter College Apprentices Ltd will become a dormant company. A letter of support related to Exeter College Services Ltd will be considered by the Business Services Committee prior to Board approval.

The Committee thanked Kate Barczok and the team for the excellent work in preparing the financial statements.

The Committee noted the financial statements.

- 6.5 Letters of Representation
The Committee received and considered the letters of representation. They are to be recommended for Board approval confirming that it was satisfied that the financial statements gave a true and fair view of the financial position of the College and its subsidiaries.

The Committee agreed to recommend the Letters of Representation to the Board on 10 December 2021. Clerk

- 6.6 Going Concern
The Committee received the going concern paper and considered it to be a fair reflection of the financial position of the College. Inflation was noted as the main risk although it was recognised that the College is in a strong financial position.

The Committee noted the report

7. Assurance Annual Report

- 7.1 Audit and Risk Assurance Committee Annual Report to Corporation
The Committee considered the draft report, which would be presented to the Board. The Committee agreed that the report was an accurate reflection of the work of the Committee during the year.

The Committee suggested adding a comment about work related to counter fraud. Noting that the Chair of the Corporation had attended the Audit and Risk Assurance Committee and the Key Issues Discussion Document is

received by the Board to demonstrate compliance with the Audit Code of Practice was also recommended.

The Committee agreed to recommend the Audit and Risk Assurance Committee Annual Report to the Board for approval at its meeting on 10 December 2021 subject to the recommended amendments.

Clerk

Bindu Arjoon, Richard Church and Kate Barczok left the meeting

8. Governors Only Item with External Auditors

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

9. Emerging Risks

The Committee considered that there were no new risks that had emerged during the meeting.

10. Future Meetings

10.1 The Committee agreed to take the following items to the Board:

- Risk Register
- Deep Dives
- Risk Management Annual Report
- Key Issues Discussion Document
- Regularity Self-Assessment
- Letter of Representation
- Audit and Risk Assurance Committee Annual Report

10.2 Items for next meeting

The Committee reviewed and agreed the cycle of business for the meeting on 21 March 2022.

10.3 Dates of Next Meetings

- Monday 21 March 2022
- Monday 6 June 2022

11. Items for Information

11.1 Anti-fraud Register

11.2 Terms of Reference

Signed by the Chair

Date: 21 March 2022