

EXETER COLLEGE FURTHER EDUCATION CORPORATION

AUDIT AND RISK ASSURANCE COMMITTEE

Minutes of the meeting held on Monday 16 September 2019 in the Board Room, Hele Road, Exeter College

Present	Sarah Brampton	Chair
	Dave Underwood	Vice Chair
	Jo Matthews	
	John Coombs	Co-opted
In Attendance	John Laramy	Principal
	Steve Campion	Vice Principal, Finance and Business Operations
	Kate Barczok	College Accountant
<i>For item 5 only</i>	Steve Strang	Head of Estates
<i>For item 5 only</i>	Mike Loomes	Safety, Health and Environment Advisor
<i>Item 6.1.2 and 6.1.3</i>	Caroline Marshall	Finance Manager
<i>To item 8</i>	Clive Fitzgerald	Tiaa
<i>To item 8</i>	Nick MacBeath	Tiaa
	Alison Layton-Hill	Clerk to the Corporation
Apologies	None	

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| 1. | Welcome, Apologies and Declarations of Interest | Action |
| | The Vice Chair welcomed colleagues to the meeting. | |
| | There were no declarations of interest. | |
| 2. | Minutes | |
| 2.1 | The minutes of the meeting held on 10 June 2019, as circulated, were agreed and signed by the Chair. | |
| 2.2 | The confidential minutes of the meeting held on 10 June 2019, as circulated, were agreed and signed by the Chair | |
| 3. | Matters arising | |
| | There were no matters arising. | |
| 4. | Risk Management Update | |
| 4.1 | Risk Register (September 2019)
The Vice Principal, Finance and Business Operations tabled the updated risk register which had been reviewed by the senior leadership team on 9 September 2019. The Vice Principal explained the amended format of the risk register which intends to provide governors with further assurance in | |

terms of risk management. Further discussion about the revised format may be discussed at the Board Residential.

Governors received an overview of the high risks. Competition for HE remains high. Unconditional university offers continue to have an impact and numbers have fallen, although recruitment continues for a further six weeks. The staff recruitment risk remains high as unemployment in the area is particularly low. The Clocktower residential provision is now open and Ofsted will be due to inspect soon, therefore Safeguarding for residential accommodation remains high. Flybe/ Virgin Connect still remains an opportunity as much as a risk.

The Committee voted to recommend the risk register to the Board on 11 October 2019

Clerk

Unanimous

The Chair joined the meeting

Steve Strang, Head of Estates and Mike Loomes, Safety, Health and Environment Advisor joined the meeting for item 5 only

5. Business Continuity

The Committee received a presentation of reassurance in terms of business continuity. The Alpha controlled emergency exercise was a success and included the participation of colleagues across the College. Governors were reassured that procedures from initial reporting through to conclusion are effective. The exercise will be repeated every two years and the College is exploring linking with a city-wide exercise.

Governors questioned how well the College was positioned in terms of preparing for a no deal Brexit. The College is confident that there are plans, processes and risk assessments in place. There are no European projects and limited European labour and students. The main risk is the likely increase in costs, in particular for catering and energy.

The Committee asked how confident the College is regarding emergency procedures in the context of a dispersed estate and whether threat assessments are undertaken in terms of the businesses operated from neighbouring properties. Procedures are specific to individual sites with training session and drills in place.

The Committee thanked the presenters for the helpful overview.

6. Internal Audit Reports

6.1 Project Reports

The Chair invited Tiaa to present the internal audit reports that had been circulated with the papers. Nick MacBeath was introduced, he will be overseeing Tiaa's work at the College.

6.1.1 IT Data Assurance Review

The Committee received the report which focused on sharing data with third parties to ensure data is shared in a secure and appropriate manner. It was acknowledged that the new Data Protection Officer had upskilled well and spoke knowledgeably. The Committee noted the recommendation of five important action points, along with the management response. The Committee noted that the College needs to complete a data mapping process and ensure that methods of sharing information by email are appropriate.

The Committee requested that Martina Esser provide a presentation on progress with GDPR to the next meeting.

Clerk

It was questioned whether the College uses Information Asset Owners as a concept to share the responsibilities of GDPR. It was noted that the College has Data Protection Guardians who assist with that role.

Caroline Marshall, Finance Manager joined the meeting for items 6.1.2 and 6.1.3

6.1.2 Key Financial Controls

The Committee was introduced to Caroline Marshall, Finance Manager. The Committee received the report which covered a wide range of financial controls and noted the recommendation of only two important action points, along with the management response. The Committee was confident that mitigations had been put in place to satisfy the action points.

6.1.3 Anti-Fraud

The Committee received the report and noted the recommendation of three important action points, along with the management response. It was noted that some of the duplicate payment issues raised in the report were incorrect and the Finance Manager will advise the Clerk of the detail. Governors were advised that systems are now in place to identify duplicate payments and comparisons between staff and supplier bank accounts.

Clerk

6.1.4 Student Transport

The Committee received the report and noted the recommendation of two important action points, along with the management response. A formalised action plan from meetings with providers was recommended, which need not be formal meeting minutes. The Vice Principal to reword the management comment.

SC

The Committee offered its thanks to Caroline and the finance team.

The Committee noted the project reports

6.2 Internal Audit Plan 2019/2020

Tiaa introduced the proposed internal audit programme for 2019/2020 consisting of 45 days work. The Committee suggested that the number of days could potentially be reduced. The College had benchmarked time allocation against other colleges with a similar turnover and the average days allocated to internal audit is in the region of 30 to 35 days. The Committee suggested removing approximately 10-15 days from the programme. The Committee noted that the subcontracting audit is undertaken by Bishop Fleming and the College intends to use a specialist to cover the marketing function, which provided reassurance that the reduction in days would not dilute the level of scrutiny.

In terms of Tiaa's progress for 2018/2019, all draft reports have been issued with the exception of the follow up report, which will be tabled at the next Committee meeting.

The Committee agreed:

- **To recommend the internal audit plan for 2019/2020 to the Board on 11 October 2019, subject to a reduction to between 30 and 35 audit days**

Clerk

7. Internal Audit Action Plan

7.1 Action Update September 2019

The progress update report had been circulated with the papers and the Committee noted that the actions are progressing well. Following the Data Protection Officer's presentation to the next Committee meeting and a meeting with the Head of Construction several actions will be removed.

The Committee noted the report and agreed to the removal of completed actions

KB

Clive Fitzgerald and Nick MacBeath from Tiaa left the meeting

8. Review and re-appointment of IAS

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

9. Sub-Contracting Audit

The Committee received the audit report and certificate of assurance countersigned by Bishop Fleming providing external assurance on sub-contracting controls. The audit report identified one minor recommendation that the fees and charges should be included in the fees and charges policy.

The Committee noted the report and certificate of assurance

10. Policies

10.1 Anti-bribery policy

The Committee considered the updated anti-bribery policy.

The Committee approved the anti-bribery policy

11. **Committee Self-assessment update**
The Committee reviewed the narrative prepared by the Clerk following the self-assessment discussion at the previous meeting.
- The Committee agreed the narrative and the proposed QIP with minor amendments** Clerk
12. **Emerging Risks**
The Committee considered that there were no new risks that had emerged during the meeting.
13. **Items for Information**
- 13.1 Anti-fraud Register
- 13.2 The Committee agreed to take the following items to the Board:
- Updated risk register for approval
 - Recommendation to re-appoint the IAS
 - The revised internal audit programme
- 13.3 Items for next meeting
The Committee reviewed and agreed the cycle of business for the 18 November 2019 meeting.
- 13.4 Terms of Reference
14. **Any Other Business**
- 14.1 Deep Dives
The Committee considered the success of the Deep Dive items and concluded that that they are effective. It was suggested that visibility to these presentations could be offered to the wider Board and that all Governors could be invited to the Committee for this item. It was also suggested that the Business Services and the Quality and Standards Committees are offered the opportunity to provide suggestions as to subjects for scrutiny.
- The Committee agreed to:**
- **Move the Deep Dive presentations to the beginning of the meetings and invite all Governors to attend** Clerk
 - **Explore with the Chair of Business Services and the Chair of Quality and Standards whether they would like to suggest areas for scrutiny at the Deep Dives** Clerk
15. **Dates of Next Meetings**
Monday 18 November 2019
Monday 9 March 2020
Monday 15 June 2020