

# EXETER COLLEGE FURTHER EDUCATION CORPORATION

## AUDIT AND RISK ASSURANCE COMMITTEE

### Minutes of the meeting held on Monday 18 November 2019 in the Board Room, Hele Road, Exeter College

<b>Present</b>	Sarah Brampton	Chair
	Dave Underwood	Vice Chair
	Jo Matthews	
	John Coombs	Co-opted
<b>In Attendance</b>		
<i>For item 2 only</i>	Emma Webber	Governor
<i>To item 3</i>	Stewart Noakes	Governor
	Steve Campion	Vice Principal, Finance and Business Operations
	Kate Barczok	College Accountant
<i>For item 2 only</i>	Lisa Smith	Assistant Principal
<i>For item 2 only</i>	Kristyn Woodward	Director of Student Experience
<i>For item 3 only</i>	Martina Esser	Head of Teaching, Learning and Performance
	Mark Munro	Bishop Fleming
	Nathan Coughlan	Bishop Fleming
<i>To item 10</i>	Nick MacBeath	Tiaa
	Alison Layton-Hill	Clerk to the Corporation

**Apologies** None

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

The Chair welcomed colleagues to the meeting, which included non-committee member governors for the Deep Dive and GDPR items. The Chair also welcomed Mark Munro and Nathan Coughlin from Bishop Fleming and Nick MacBeath from Tiaa.

There were no declarations of interest.

*Lisa Smith and Kristyn Woodward joined the meeting for item 2 only*

#### 2. **Deep Dive**

- 2.1 Safeguarding – Boarding Accommodation Inspection Readiness  
 The Committee received a presentation of reassurance in terms of safeguarding and the Ofsted inspection readiness of the Clock Tower Boarding Accommodation.

The Committee was advised that the students occupy the accommodation from Sunday evening through to Friday lunch time each week and was given an overview of the staffing structure. It was noted that the average attendance of residents is at a level of 94.24% compared to the college average of 91.60% and that in the previous year achievement was above the college average. The standards are guided by the published National Minimum Standards and the requirements in the Common Inspection Framework.

The Committee noted that there are deep dives undertaken into the circumstances surrounding each of the students in the residential accommodation and asked if these had raised any concerns. The Director of Student Experience advised that all policies and guidance had been updated to reflect the nature of the residential accommodation. There has been a successful fire drill and the college Safety, Health and Environment Adviser is involved in the risk assessment process. There is an intention to look further at crisis management arrangements and the restrictions and monitoring in terms of wi-fi access.

Governors asked for reassurance that residential staff have the appropriate level of qualifications. It was clarified that there is a comprehensive training package, including food hygiene and level 3 safeguarding as well as management level qualifications for appropriate staff.

Relating to the level of communication the College has with parents of the students, it was confirmed that there has been a survey completed as well as extensive ongoing conversations as necessary.

The Committee questioned the security in terms of access to the building and was reassured that there is a CCTV security system in place and no access is permitted unless a member of staff is present. When the door is opened there is a loud buzzer alert and the bedroom adjacent to the door is occupied by a member of staff.

Due to the nature of boarding accommodation, it was noted that additional personal information is retained for this cohort of students and the Committee asked who the information owner for this data set is. It was confirmed that the Residential Accommodation Co-ordinator holds this information and that CPOMS is used to log relevant data. It was further advised that there is an additional member of staff to support the welfare of the students.

The Committee noted that the Clock Tower boarding accommodation continues to have space for another 4 or 5 students, however the financial model is not dependent on it being full. There is also the potential for short term summer bookings.

The Committee queried the status of the Exeter Chiefs members of staff and it was clarified that although these staff are employed by Exeter Chiefs, they

have a contract with the College to provide overnight supervision. Governors also noted that their roles and responsibilities are clearly itemised and safer recruitment check are undertaken.

**The Committee thanked the Assistant Principal and Director of Student Experience for a valuable and informative presentation.**

*Emma Webber left the meeting.*

*Martina Esser joined the meeting for item 3 only*

**3. GDPR Update**

The presentation was received and the Committee considered the key issues, areas of progress and future actions required to provide assurance that the College is compliant with GDPR Regulations.

The Committee acknowledged the introduction of Data Guardians but challenged their level of awareness of what they are responsible for and how confident they would be to articulate and evidence appropriately that they are exercising their role and the impact that they are having. It was accepted that there continues to be learning, however there is a high level of confidence in terms of the identified Information Asset Owners in some areas.

The Committee suggested that the ICO would be willing to provide advice while systems and processes are being put in place, which will be considered at an appropriate time.

Governors were reassured that there is a comprehensive training plan for staff consisting of mandatory, bespoke, refresher and 1-1s. The objective is that all staff will have completed the mandatory training within the next 12 months.

The Committee requested an overview of the level of reported breaches and it was noted that these were low level email errors. The level of compromise in all cases did not warrant further investigation or reporting to the ICO.

The committee noted the helpful update and progress that had been made and offered its thanks to the team.

**Governors agreed to:**

- a) receive the link to the GDPR portal**
- b) receive a progress update at a future meeting or as part of the Governor Residential**

Clerk  
Clerk

*Stewart Noakes left the meeting*

**4. Minutes**

- 4.1 The minutes of the meeting held on 16 September 2019, as circulated, were agreed and signed by the Chair.
- 4.2 The confidential minutes of the meeting held on 16 September 2019, as circulated, were agreed and signed by the Chair

5. **Matters arising**

5.1 Committee Terms of Reference

The Committee was advised that although it had appropriately received GDPR updates (13/6/18, 19/9/18, 18/11/19), this remit had not previously been included in the Committee terms of reference.

**The Committee agreed to recommend to the Board for approval the revised terms of reference.**

Clerk

6. **Risk Management Update**

6.1 Risk Register (November 2019)

The Committee received and considered the updated risk register, which had been reviewed by the senior leadership team on 11 November 2019. The Vice Principal, Finance and Business Operations highlighted the high-risk areas and any amendments since the previous Committee.

The Clock Tower residential provision is now open and Ofsted will be due to inspect soon. Therefore, Safeguarding for residential accommodation remains high but the Committee is likely to agree to this being downgraded to medium following inspection. There is increased competition in terms of the apprenticeship offer which is being monitored. Flybe/Virgin Connect still remains an opportunity as much as a risk.

The Committee commended the risk profile table and noted that it is reassuring that the profile remains constant.

**The Committee voted to recommend the risk register to the Board on 6 December 2019**

Clerk

6.2 **Risk Management Annual Report to Corporation**

The Committee received the report. The Vice Principal, Finance and Business Operations confirmed that the Annual Report summarised the activities relating to risk management for the year.

It was confirmed that each faculty continues to follow best practice and that there is a robust process to capture risks at departmental as well as at a strategic level.

**The Committee agreed, subject to minor amendments, to recommend the Risk Management Annual Report to the Board for approval at its meeting on 6 December 2019.**

Clerk

7. **Internal Audit Report**

## 7.1 Follow Up Report

The Chair invited Tiaa to present the internal audit report that had been circulated with the papers.

Tiaa acknowledged that the Follow Up report was already some months out of date and therefore focussed on recommending options to the Committee to ensure that the information received is always current. He advised that in the past, those recommendations that had not been implemented by the College were not subsequently followed up after the end of the year.

Tiaa suggested that the College would benefit from using its online portal, which would identify the original plan, reviews completed, recommendations made and allow progress to be easily monitored. Accurate reports would be tabled at this Committee replacing the need for an additional progress report to be produced by the College.

It was reported that the portal could be in place and training provided to College staff by the next Audit and Risk Assurance Committee. The Committee noted this positive way forward.

### **The Committee agreed to:**

- a) Receive reports from the Tiaa portal**
- b) Only remove a recommendation from the report after the Committee had noted its completion**

Tiaa  
Tiaa

## 8. Tiaa Annual Report

Tiaa introduced their annual report. The Committee noted the summary of reviews that had been completed, which had received gradings of reasonable assurance and substantial assurance. There were no urgent recommendations in the summary. The overall grade for the College of reasonable assurance (although at the top end) was noted.

The Committee thanked Tiaa and gave recognition of the amount of work that goes into the audits.

### **The Committee noted the report**

## 9. Internal Audit Action Plan

### 9.1 Progress Update November 2019

The progress update report had been circulated with the papers. The College Accountant confirmed that all recommendations relating to the construction department had been completed. Additional declarations of interest had been completed, although the finance regulations had been amended to clarify that only the senior leadership team is required to complete declarations of interest.

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

KB

*Nick MacBeath from Tiaa left the meeting*

10. **Assurance Annual Report**

10.1 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 agreed to recommend the Audit and Risk Assurance Committee Annual Report to the Board for approval at its meeting on 6 December 2019.**

Clerk

11. **Financial Statements**

11.1 Key Issues Discussion Document (KIDD)

The report was received and Bishop Fleming 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 Board approval of the financial statements and receipt of the letter of representation. Bishop Fleming gave an overview of the audit process and praised the College finance team for their thorough preparation, which enabled a smooth audit.

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. No issues were identified in accounting for capital projects and capital grant funding.

It was noted that the pension assumptions the College had made were reasonable and common to the sector.

The Committee was advised that although the staff bonus had been agreed by the Board and accrued, it had not been announced to staff. Therefore, it could be argued that the decision was not binding at the year-end date, meaning there was no obligation at that time. However, as a similar bonus was accrued at 31 July 2018 and paid during 2019 a precedent exists for a similar accrual in the current year. The total is not considered material and therefore an adjustment to the financial statements was not proposed.

Following testing, there was no concern over regularity and the auditors were comfortable to give an unqualified opinion. The Committee noted that the College is in a strong 'good' financial position.

The Committee complimented the finance staff on another very good performance against a challenging backdrop.

**The Committee thanked all those involved and agreed to Recommend the Key Issues Discussion Document to the Board on the 6 December 2019.**

Clerk

11.2 Financial Statements – Exeter College

The financial statements were received and noted. They would be scrutinised by the Business Services Committee on the 25 November 2019 and, subject to scrutiny, recommended to the Board.

It was noted that the disclosure of senior staff remuneration and pension is good practice but not essential.

**The Committee noted the report.**

- 11.3 Regularity self-assessment report  
The Committee received and considered the report, which requires the signature of the Chair of the Board.

**The Committee agree to recommend the Regularity Self-Assessment to the Board at its meeting on 6 December 2019.** Clerk

- 11.4 Aplus Training (SW) Ltd and Exeter College Services Ltd  
The accounts of the two dormant companies were received and noted. They would be received by the Business Services Committee on the 25 November 2019 and, subject to scrutiny, recommended to the Board.

**The Committee noted the accounts.**

- 11.5 Letter of Representation  
The Committee received and considered the letter of representation. It was 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.

**The Committee agreed to recommend the Letter of Representation to the Board, on 6 December 2019.** Clerk

- 11.6 Governors Only Item with External Auditors  
As recommended best practice, Governors received an update from the External Auditors without management in attendance. Bishop Fleming confirmed that there was a positive and transparent relationship with College staff. The College engaged well and alerted the auditors of any potential issues in advance.

The ability to obtain information relating to Exeter College Apprenticeships had been a little more difficult, however this was not due to College staff. The Committee Chair encouraged the auditors to make contact outside of the Committee meetings if required.

**The Committee noted the update.**

12. **Emerging Risks**  
The Committee considered that there were no new risks that had emerged during the meeting.

13. **Items for Information**

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

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

13.2 Items for next meeting

The Committee reviewed and agreed the cycle of business for the 9 March 2020 meeting.

13.3 Anti-fraud Register

14. **Dates of Next Meetings**

Monday 9 March 2020

Monday 15 June 2020

15. **Any Other Business**

15.1 Deep Dive

The Committee considered framing a set of standard questions in advance of the Deep Dives to help focus the presentations on risks, controls and further actions required in mitigation.

**The Committee agreed to:**

- a) Instigate an emailed discussion to formulate a set of standard questions and attach the relevant risk for the next Deep Dive**
- b) Remind the Quality and Standards Committee and Business Services Committee Chairs to consider items to be covered in future Deep Dive items.**
- c) Request feedback from non-committee members who attended the Deep Dive earlier in the meeting**

Clerk

Clerk

Clerk

The meeting was quorate throughout and ended at 7.15pm.