

## EXETER COLLEGE FURTHER EDUCATION CORPORATION

### AUDIT AND RISK ASSURANCE COMMITTEE

#### Minutes of the meeting held on Monday 14 November 2022 via Zoom

<b>Present</b>	Sarah Brampton Neil Hitchings Rob Hutchins Adele Westcott	Chair Vice Chair  Co-opted
<b>In Attendance</b>	Bindu Arjoon <i>To item 10</i> Richard Church <i>Item 8 and 9 only</i> Kate Barczok <i>Item 2.1 only</i> Mike Loomes <i>Item 2.2 only</i> Sam Hillman Nathan Coughlan Charlie Martin <i>To item 8</i> Clarence Mpofo	Chair of the Corporation Chief Financial Officer College Accountant Safety, Health and Environment Manager Assistant Principal Bishop Fleming Bishop Fleming Tiaa
	Alison Layton-Hill	Head of Governance
<b>Apologies</b>	John Laramy	CEO/Principal

1. **Welcome, Apologies and Declarations of Interest** **Action**
- The Chair welcomed colleagues to the meeting with a particularly welcome to Bindu Arjoon, Chair of the Corporation, Nathan Coughlin and Charlie Martin from Bishop Fleming and Clarence Mpofo from Tiaa.
- Apologies were received from the CEO/Principal, who although not formally a member of the committee attends in an advisory capacity.
- The Committee Chair acknowledged that this would be Richard Church's final Audit and Risk Assurance Committee and on behalf of the committee offered her heartfelt thanks to him.
- No declarations of interest were received.
- Mike Loomes joined the meeting*
2. **Deep Dive**
- 2.1 Breach of Health and Safety Legislation
- The Committee received a presentation of assurance from the Safety, Health and Environment Manager highlighting the health and safety processes and procedures that are in place at the College. He gave an overview of reporting processes, risk assessments, communication and

mandatory and specific training which ensure staff and learners have a good awareness and understanding of health and safety.

The Committee questioned the support the Safety, Health and Environment Manager receives in terms of his own personal development. It was advised that the College is funding the Safety, Health and Environment Manager's Level 6 National Compliance and Risk qualification which was proving to be useful. He also explained that he receives excellent support from across the College.

Governors queried whether external reviews of health and safety are undertaken. The college works closely with the South West Ambulance Service and Devon and Somerset Fire Service. The internal auditors undertake health and safety audits and the Adventure Activities Licensing Authority (AALA) reviews health and safety at Haven Banks.

Governors sought assurance that 'near misses' are reported which was confirmed and the importance of reporting near misses was being reinforced through the Health and Safety Committee.

The Committee was pleased to note that the level of attendance at the mandatory staff health and safety training is high.

**The Committee thanked the Safety, Health and Environment Manager and noted the assurance provided by the presentation**

*Sam Hillman joined the meeting*

- 2.2 Failure to make a success of Owlets  
The Committee received a presentation of assurance from the Assistant Principal and noted that the operational challenges facing nurseries are a national issue. The mitigating actions taken by the College were explained and the capacity at the nursery is being kept under review. The 'good' Ofsted rating ensures the nursery has a strong reputation and the partnership with the university has helped to ensure its financial viability.

The Committee acknowledge the commitment that Sam Hillman puts into the nursery and thanked her warmly for her hard work.

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

**The Committee noted the assurance provided by the presentation**

3. **Minutes**  
3.1 The open minutes of the meeting held on 6 June 2022, as circulated, were agreed.  
3.2 The confidential minutes of the meeting held on 6 June 2022, as circulated, were agreed.

4. **Matters arising**  
There were no matters arising

5. **Post-16 Audit Code of Practice (September 2022)**  
The Committee received the Post-16 Audit Code of Practice and noted the revisions since the last update in April 2022.

**The Committee agreed to recommend adoption of the Post-16 Audit Code of Practice, as revised in September 2022, to the Board for approval at its meeting on 9 December 2022** HofG

6. **Internal Audit**

6.1 Internal Audit Annual Report 2021/2022  
The Committee received the report and noted the outcome of internal audit reviews undertaken in 2021/2022.

It was noted that the days allocated to an ICT review were used to engage a specialist cyber security organisation, following which substantial investment in IT had been made. It was proposed that the Committee receive an update on the progress of the recommendations of this comprehensive review at its next meeting.

The Committee noted that the previous external independent review of Tiaa's compliance with IIA-UK Professional Standards was carried out in 2017 and questioned if there was a further external review planned. This was confirmed and the results of that independent review were expected within the next few weeks.

Governors questioned the extent of the anti-fraud training that had been undertaken. The College finance team receive training annually, however the most recent training had been extended to the senior leadership team and the heads of department and heads of faculty.

The Committee sought assurance that the College is able to understand its key fraud risks according to individual departments. Heads of faculty and heads of department do consider their fraud risks as part of their risk registers. These are presented to the quality and resources reviews where challenge is provided by the leadership team.

**The Committee agreed to:**

**a) recommend the internal audit service annual report to the Board for approval on 9 December 2022** HofG

**b) receive an update on the progress of the recommendations following the ICT review at its next meeting** HofG

6.2 Internal Audit Plan 2022/2023  
The Committee received and scrutinised the internal audit plan for 2022/2023.

The Committee discussed how the College gains assurance related to sustainability. The Vice Chair of the Committee is the lead governor for sustainability and gains assurance from College management and the Business Services Committee receives a sustainability annual report. The Chief Financial Officer advised that he and the Director for Estates and IT attended the Queens Jubilee Award for sustainability on behalf of Exeter College and worked with other FE and HE providers on a report to ministers to help elevate the issue of sustainability across the education sector.

The Committee questioned whether the number of days allocated to internal audit in the plan was sufficient. It was agreed that 30 days in isolation may appear to be low, however it was also important to take into consideration other external sources of assurance the College engages such as specialist resources.

**The Committee agreed to recommend the internal audit plan 2022/2023 to the Board for approval on 9 December 2022**

**HofG**

## 7. **Risk Management Update**

### 7.1 Risk Register

The Committee received and scrutinised the updated risk register, which had been thoroughly reviewed by the senior leadership team. The Chief Financial Officer explained any changes in the status of current risks and advised of new risks that had been added.

The Committee particularly noted the new risk associated with the review being undertaken by the ONS which may result in the reclassification of colleges back into the public sector.

Governors raised a concern of where accountability for those risks allocated to the Chief Financial Officer will rest when his employment ceases and requested clarification.

**The Committee agreed:**

**a) to recommend the risk register to the Board for approval on 9 December 2022**

**HofG**

**b) receive confirmation of individual risk ownership in the absence of the Chief Financial Officer.**

**JL**

### 7.2 **Risk Management Annual Report to Corporation**

The Committee received and reviewed the report. The Chief Financial Officer confirmed that the Annual Report summarised the activities relating to risk management for the year. The Committee noted that the College's risk management had much improved under the leadership of the Chief Financial Officer and extended its thanks to him.

**The Committee agreed to recommend the Risk Management Annual Report to the Board for approval at its meeting on 9 December 2022**

**HofG**

## 8. **Financial Statements**

### 8.1 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 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, despite some staff absence, 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 issues related to pension assumptions.

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.

The Committee was pleased to note there had been no new areas of actions raised.

**The Committee noted the positive report and agreed to recommend the Key Issues Discussion Document to the Board at its meeting on the 9 December 2022**

**HofG**

### 8.2 Financial Statements – Exeter College

The financial statements were received and noted. They would be scrutinised by the Business Services Committee on the 21 November 2022 and, subject to scrutiny, recommended to the Board.

**The Committee noted the financial statements.**

### 8.3 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 2022 to the Board at its meeting on 9 December 2022.**

**HofG**

### 8.4 A Plus Training (SW) Ltd, Exeter College Apprentices Ltd and Exeter College Services Ltd (including letter of support and going concern update)

The accounts for the subsidiary companies were received and noted. They would be scrutinised by the Business Services Committee on the 21 November 2022 for recommendation to the Board.

A Plus Training (SW) Ltd and Exeter College Apprentices Ltd are dormant companies. 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 the team for their collaborative relationship with the external auditors and excellent work in preparing the financial statements

**The Committee agreed to:**

**a) note the financial statements**

**b) write a letter of thanks to the finance team**

**HofG**

8.5 Letters of Representation

The Committee received and considered the letters of representation. They are to be recommended for Board approval confirming that the committee 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 9 December 2022 for approval.**

**HofG**

9. **Assurance Annual Report**

9.1 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 9 December 2022**

**HofG**

*Richard Church and Kate Barczok left the meeting*

10. **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.

11. **Emerging Risks**

The Committee considered any emerging risks and raised the risk of transitioning from the current Chief Financial Officer to a new appointment.

12. **Future Meetings**

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

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

- 12.2 Items for next meeting  
The Committee reviewed and agreed the cycle of business for the following meeting.
- 12.3 Dates of Next Meetings
- Monday 13 March 2023
  - Monday 5 June 2023
13. **Items for Information**
- 13.1 Anti-fraud Register
- 13.2 Gifts and Hospitality Register 2021/2022

Signed by the Chair



Date: 13<sup>th</sup> March 2023