



**GREENHEAD COLLEGE CORPORATION**  
**Minutes of the Audit & Risk Committee meeting**  
**Monday 23 November 2020, 5.00pm**  
**starting with joint meeting with Finance & Estates Committee**  
**held virtually using Teams**

**Govs present:** Alison Jones; Mark O'Connor (from 5.05pm); Michelle Wheatcroft; Richard King (Chair); Jo Nowacki (Associate Gov, to 5.40pm)

**In attendance:** Simon Lett (Principal); Mike Benson (Murray Smith); Nicola Tucker (Murray Smith); Rosalind Armstrong (AuditOne); John Blake; Ian Leedham (Clerk)

**Apologies:** Wayne Brown (AuditOne)

**+ additional F&E Govs for initial Joint Meeting:**  
Craig Shannon; John Holroyd; Richard Armstrong;  
Abby Barraclough (Observer status)

| AGENDA ITEM          | DISCUSSION   | ACTION  |
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| <b>JOINT MEETING</b> | <p><b>Joint meeting with Finance &amp; Estates Committee, 5.00pm, to consider External Audit Report 2019/20 and draft Corporation Annual Report 2019/20, both previously circulated</b><br/><i>(these Joint Meeting minutes are replicated in F&amp;E Committee minutes).</i></p> <p><b>Joint-1.</b> Nicola T introduced and summarised External Audit Report 2019/20. Key points included:</p> <ol style="list-style-type: none"><li>1. happy to sign off audited accounts, subject to a couple of tidy-up items to finalise with JBL</li><li>2. renewal of Barclays loan to be actioned in order that loan can be drawn down quickly and shown appropriately in the audited accounts as a loan (Barclays written confirmation would suffice)</li><li>3. (sector wide) increased LGPS pension liabilities account for net assets moving from positive to negative (related discussion of LGPS adjustments in the accounts, in terms of both P&amp;L and actuarial adjustments)</li><li>4. auditors said audit had gone well despite having to do remote audit for first time.</li></ol> <p><b>Joint-2.</b> Corporation Annual Report 2019/20. RKI argued for clear explanation in Report that negative net assets (technical insolvency) are driven by increased LGPS pension liabilities, which ESFA ignores when assessing Financial Health position – JBL to add a note to the above effect, liaising with JHOL &amp; RKI.</p> <p><b>Joint-3.</b> Process for dealing with amendments to RAR's draft Corporation Annual Report agreed, summarised as:</p> <ol style="list-style-type: none"><li>1. amendments to be sent to Clerk by Fri 27/11 cob</li></ol> | <p>JBL</p> <p>JHOL/Clerk<br/>/all to note</p> |

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|   | <ol style="list-style-type: none"> <li>2. Clerk to make amendments, including clarification that Barclays loan will be available to draw down in short term (Mike B needs this clarification prior to signing off)</li> <li>3. Clerk to send amended draft to Mike B by 30/11</li> <li>4. Mike B to check and send any final amendments to Clerk later w/b 30/11</li> <li>5. Clerk to incorporate Mike B amendments</li> <li>6. Clerk to circulate to Governors in advance of Corporation meeting 7/12, where sign-off will be sought</li> <li>7. final signatures will follow</li> <li>8. final signed version will be submitted to ESFA (prior to 31/1/21 deadline) and published on College website.</li> </ol>   |  |
| <b>A&amp;R CTTEE MTG (5.26pm)</b><br><br><b>1. Welcome, apologies</b> | RKI welcomed participants. Apology as above. Clerk noted that Stuart H had resigned his External Gov position earlier today (23/11/20).  |  |
| <b>2. Declarations</b>  | No declarations of pecuniary/prejudicial interest.   |  |
| <b>3. Minutes 11/5/20</b>   | <p><b>3.1</b> Minutes 11/5/20, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing.</p> <p><b>3.2</b> Matters arising:</p> <ol style="list-style-type: none"> <li>1. 11/5/20 min 6.1, Risk Register: RKI &amp; Rosalind A have sent exemplars to JBL</li> <li>2. 11/5/20 min 6.1, Risk Register: Mike B highlighted key points from <i>ESFA Academy trust risk management guidance</i>, especially need to add contingency plan for risks that are difficult to mitigate – RKI keen that contingency element is built into Risk Register and considered at next A&amp;R 22/2/21 (which will have risk focus)</li> <li>3. RKI: note in Corporation Annual Report 2019/20 that two A&amp;R meetings were held, as opposed to the policy being for three meetings.</li> </ol> | <p>Clerk</p> <p>SLE/JBL;<br/>Clerk re agenda</p> <p>Clerk note</p> |
| <b>4. Committee Vice-Chair</b>  | MOC agreed to be Committee Vice-Chair.   | MOC & Clerk note   |
| <b>5. Update on latest legal, regulatory, sector developments</b>     | <p>Mike B summarised key updates:</p> <ol style="list-style-type: none"> <li>1. <i>ESFA Code of Practice</i> – no changes</li> <li>2. <i>FRS 102 Financial Reporting Standard</i> is updated every three years; not updated this year</li> <li>3. <i>ESFA College Accounts Direction</i> – only significant change is delay in submitting audited accounts to 31/1/21</li> <li>4. Chancellor's Spending Review 2020 speech due</li> </ol>  |  |

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|  | 25/11/20 – funding announcements awaited.   |                         |
| <b>6. Internal audit reports</b>               | <p><b>6.1</b> Rosalind A updated on internal audit reports finalised since last meeting: Budgetary Control and Cyber Resilience, both previously circulated.</p> <p><b>6.2</b> Budgetary Control:</p> <ol style="list-style-type: none"> <li>consistently high level of compliance with controls in place, Good level of assurance</li> <li>recommendations made – JBL working on implementing them by end-December and end-April, variously.</li> </ol> <p><b>6.3</b> Cyber Resilience:</p> <ol style="list-style-type: none"> <li>Reasonable level of assurance</li> <li>recommendations made – implementation target dates felt to be realistic and achievable</li> <li>recommendation 2.5, review default domain password controls – RKI keen that improvements are made as necessary – Network Manager has assured SLE that this is being addressed – JBL will further check and report back to RKI</li> <li>AJO asked whether FE sector has seen increased cyber attacks during COVID period, as experienced by university sector – does not seem to be particular issue in FE, but College aware of mitigating potential interference in delivery of Teams/Zoom sessions – JBL pointed to cyber insurance in place with 24 hour access to cyber network expertise</li> <li>on wider level, College will review how IT sits within overall structure; IT-related restructure likely to follow</li> <li>IT resilience contingency plans need to be developed.</li> </ol> | JBL                     |
| <b>7. Internal Audit Annual Report 2019/20</b> | <p>Rosalind A summarised and Committee discussed:</p> <ol style="list-style-type: none"> <li>RKI asked about impact on risk given that only 2/6 audits completed and not all recommendations implemented – Mike B argued that whilst internal audits need to gather pace, external auditors do their own detailed checks and verification, so he is comfortable with external audit conclusions</li> <li>RKI requested that College develop a schedule of audits and implementation of recommended actions (with a live view of progress) – SLE/S.L.T. to take forward, linked to its half-termly reviews of Risk Register – progress to be reviewed at next A&amp;R meeting 22/2/21.</li> </ol>  | SLE;<br>Clerk re agenda |
| <b>8. Draft Internal Audit Plan 2020/21</b>    | <p>Rosalind A highlighted key points &amp; Committee discussed:</p> <ol style="list-style-type: none"> <li>new format this year, with a more strategic focus and improved links with Risk Register; agreed with College</li> <li>the 4/6 audits deferred from 2019/20 are included, along with two new audits including an important one on</li> </ol>  |                         |

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|  | <p>Business Continuity</p> <p>3. RKI argued that Project Management should feature in audit programme, in respect of capital development programme amongst other things</p> <p>4. SLE argued that Marketing &amp; Communications should also be included</p> <p>5. regarding audit of staff absence management, AJO argued for a broader focus on staff wellbeing (in COVID blended learning &amp; split timetable context) – SLE agreed and will ensure this is actioned.</p>   | <p>SLE</p> <p>SLE</p> <p>SLE</p> |
| <b>9. Internal &amp; external audit 2020/21</b>                | Committee happy to continue with existing internal and external audit arrangements, on basis that both are effective and good value for money.   |                                  |
| <b>10. Capital development programme: risks &amp; controls</b> | <p><b>10.1</b> RKI requested that risks associated with Capital Development Programme need careful management, mitigation, and contingency planning – SLE argued this warrants its own Risk Assessment (as happened with COVID risks) – JBL to start work on this.</p> <p><b>10.2</b> MOC highlighted need for a new, improved rolling 5-year list of costed investment priorities to support planning and decision making in any given financial scenario. This would be part of a Five Year Business Plan, in alignment with the Strategic Plan. SLE&gt;JBL to consider &amp; address.</p> | <p>JBL</p> <p>SLE+JBL</p>        |
| <b>11. COVID risks &amp; mitigation</b>                        | SLE advised that COVID Risk Assessment is and will continue to be updated weekly, with upcoming New Year risk areas to include exams/CAGs amongst other things.  |                                  |
| <b>12. Policies</b>  | No policies to review on this occasion.  |                                  |
| <b>13. AoB</b>   | ALPS (Advanced Level Performance System). In response to RKI question, SLE to prepare paper for next A&R 22/2/21 regarding validity of ALPS, liaising with RAR who has been involved in conversations around this.   | SLE;<br>Clerk re agenda          |
| <b>14. Confidentiality</b>                                     | No confidential aspects identified.  |                                  |
| <b>15. Date next mtg</b>                                       | A&R Committee Mon 22 Feb 2021, 4.30pm.   | Govs note                        |

**Minutes prepared by Ian Leedham (Clerk to the Corporation) on 28/11/20  
Signed off by Richard King, Chair, at Audit & Risk Committee 22/2/21**