

GREENHEAD COLLEGE CORPORATION
Minutes of the Audit & Risk Committee meeting
Monday 15 November 2021, 5.30pm
starting with Joint Meeting with Finance & Estates Committee

Govs present: Alison Jones; Chris Kneale; Mark O'Connor (via Teams); Richard King (Chair)
& F&E Govs staying-on for A&R meeting: John Holroyd; Lisa Wilkinson; Stuart Irving

In attendance: Simon Lett (Principal); Mike Benson (Murray Smith); Wayne Brown (AuditOne, via Teams); John Blake; Ian Leedham (Clerk)

Apologies: Ella Briggs; Michelle Wheatcroft

+ additional F&E Govs for initial Joint Meeting:
Craig Shannon; Stuart Irving covering for Richard Armstrong

AGENDA ITEM	DISCUSSION	ACTION
<p>JOINT MEETING</p>	<p>Joint Meeting with Finance & Estates Committee, 5.30pm, to consider 2020/21 Year-end Financial Statements, External Audit Report 2020/21, and draft Corporation Annual Report 2020/21, all previously circulated <i>(these Joint Meeting minutes are replicated in F&E Committee minutes).</i></p> <p>Joint-1. Noted SIR covering for RAR in respect of being directly sighted on Year-end Financial Statements and external auditor feedback.</p> <p>Joint-2. External Audit Report 2020/21 (Audit Completion Report), previously circulated. Mike reported:</p> <ol style="list-style-type: none"> 1. straightforward, smooth process, mixing on site and online; very happy with work & relationship over past 5 years (responding to SIR question on how it went) 2. new format report this year to better show compliance with audit standards 3. satisfied with how ESFA income accounted for, but more formal documentation needed & recommended audit of student records 4. improved financial bottom-line, net current assets (liquidity) and cash position this year 5. internal controls – recommendation to look more closely at expenditure authorisation procedures, to make more systematic 6. point made about exam fees credit note & discussion of related CSH question – should really be in this year's account – discrepancy last year also noted & addressed by Mike. 	

	<p>Joint-3. CSH asked Mike for his view on reserves policy in context of (1) significantly improved cash position and (2) this not being raised (now or in past) as an audit issue. Mike's response:</p> <ol style="list-style-type: none"> 1. separate reserves into revenue (where it is good to have a month's salary costs in reserve), contingency (£2m sufficient), capital spend 2. noted that, in the past, staff costs issue had prevented college building up reserves. <p><i>& Note from F&E min 4.6: RKI suggested that we create a discretionary reserve into which we annually transfer a sum equal to the amount of depreciation that had been charged in the accounts – agreed.</i></p> <p>Joint-4. Year-end Financial Statements 2020/21 and members' report narrative, previously circulated, alongside Audit Completion Report considered above. SLE & JBL left the room for this item. Noted that F&E recommended that Corporation signs-off at its next meeting 6/12/21 (F&E min 4.2.6 above). Governors at Joint Meeting had no concerns and therefore Joint F&E/A&R meeting recommends likewise. Responding to JHO question about any further improvements that could be made, Governors and Mike argued that usable joined-up data dashboard along lines set out in F&E min 6 above would be helpful going forward, with AJO pointing to the need to develop a specification & business case for this in the first instance. It was felt that the question of real-time information could be a red herring and might not be that useful to stakeholders 'mid-month'. SLE & JBL returned. JHO reiterated that this Joint F&E/A&R meeting recommends that Corporation signs-off Financial Statements & Members' Report at its next meeting 6/12/21 and thanked Mike for his input.</p>	Clerk re agenda
<p>A&R CTTEE MTG (5.40pm)</p> <p>1. Welcome, apols</p>	RKI welcomed participants. Apologies as above.	
<p>2. Declarations</p>	No declarations of pecuniary/prejudicial interest.	
<p>3. Minutes 20/9/21</p>	Minutes 20/9/21, previously circulated, agreed by Committee, signed by Chair, returned to Clerk for filing. No matters arising beyond those items on today's agenda.	Clerk
<p>4. Committee ToR</p>	Updating of A&R Committee Terms of Reference – Clerk has not had time to update – will do so ready for next A&R meeting 28/2/22.	Clerk; Clerk re agenda

<p>5. Audit tender process update</p>	<p>Audit tender process underway, via Crescent Purchasing Consortium procurement platform – closing date for tenders 31/12/21 – then shortlisting.</p>	
<p>6. Internal audit</p>	<p>6.1 Follow-up of previous recommendations, final report, as previously circulated (noted this is same as draft version considered at A&R 20/9/21):</p> <ol style="list-style-type: none"> 1. AJO asked about revised targets for actions not met/updated, for instance in relation to business continuity audit – JBL is in process of updating and will send responses to Wayne 2. Disaster Management Plan scenario planning – scenario most likely to be security lockdown, after Christmas, but could be e.g. major fire, intruder, IT system failure, ransomware attack, another pandemic – Committee to be updated. <p>6.2 Internal Audit Annual Report 2020/21, previously circulated. Wayne summarised report and its recommended actions; no surprises. Enrolment Audit to be reported to next A&R 28/2/22.</p> <p>6.3 Strategic & Annual Internal Audit Plan 2021-25, previously circulated:</p> <ol style="list-style-type: none"> 1. contents: Appendix A is strategic plan, mapping future audits over a four-year cycle; Appendix B is this year's audits; Appendix C is timeline of when Committee can expect to see reports 2. RKI asked if use of Flagstone investment platform can be included in Treasury Management Audit – JBL reported that it could. 	<p>JBL</p> <p>Clerk re agenda</p> <p>Wayne; Clerk re agenda</p> <p>JBL</p>
<p>7. External audit</p>	<p>No additional updates.</p>	
<p>8. Risk management & mitigation</p>	<p>8.1 JBL reported that College-wide Risk Register and New Build Risk Register have been reformatted on basis of Committee feedback at previous meeting 20/9/21: likelihood & impact ratings now multiplied to give maximum score of 25; raw score added before controls implemented; residual controls added (after initial controls implemented); five highest risks prioritised. To add final column in event of actions in the event that controls haven't worked – to be added by next meeting 28/2/22.</p> <p>8.2 RKI asked how Committee members can access the updated/current Risk Registers – JBL to add these, and other key documents, to Governors' SharePoint/Teams page.</p>	<p>JBL</p> <p>JBL</p>

9. Legal, regulatory, sector developments	No updates beyond those considered at previous meeting 20/9/21.	
10. COVID risks & mitigation	Nothing additional on this occasion.	
11. Policies	No policies to review on this occasion.	
12. AoB	None.	
13. Confidentiality	No confidential aspects identified.	
14. Date next mtg	A&R Committee Mon 28 Feb 2022, 4.30pm.	Govs note

Minutes prepared by Ian Leedham (Clerk to the Corporation) on 29/11/21

Approved & signed by Mark O'Connor, Chair on 28/2/22