

GREENHEAD COLLEGE CORPORATION
Minutes of the Audit & Risk Committee meeting held in Room G17
Monday 9th May 2022, 4.30pm

Govs present: Alison Jones; Chris Kneale; Elliot Gill (from 4.40); Haris Khan; Mark O'Connor (Chair); Michelle Lister (from 4.55); Richard King

In attendance: Wayne Brown (internal audit) (Via Teams); Mike Benson (external audit); John Blake; Simon Lett (Principal) (from 4.55); Sharon Roper (Clerk)

Apologies: Daniel Bellanfante; Lisa Wilkinson

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, Apologies	MOC welcomed participants. Apologies as above.	
2. Declarations	No declarations of pecuniary/ prejudicial interest.	
3. Minutes 28/2/22	3.1 Minutes 28/2/22, previously circulated, agreed by Committee, signed-off by Chair, returned to Clerk for filing. 3.2 No matters arising beyond those on the agenda.	Clerk
4. Review Committee Terms of Reference	4.1 Committee to review its existing ToR, previously circulated. 1. RKI said that internal control and solvency need further defining (paragraph 1), MOC challenged that we are measured by ESFA regarding solvency and JBL confirmed we currently have an outstanding financial health score. 2. Mike Benson said there isn't one standard definition for insolvency, he gave examples which included 'is there a danger that you can't pay your debts when they fall due'. Wayne Brown agreed with Mike that there wasn't a specific definition and said assurance came from several sources such as external audit, treasury management report, cash balances and internal audit triggers but this isn't an exhaustive list. Both Mike and Wayne agreed to send some examples of what is necessary to measure solvency. 3. Mike Benson said the F&E Committee ensures solvency and A&R Committee ensures that they have the proper systems in place.	Mike Benson & Wayne Brown

	<p>4. RKI disagrees that the committee would oversee, 'review & revise' the college corporation's policies on fraud, irregularity, and whistleblowing. It was agreed that review and revise should be removed from the document.</p> <p>5. The Committee agreed that the TOR needed reviewing and comparing to the latest guidance and bringing back to the Committee for approval. MOC asked for this to be completed and circulated to members before the next A&R meeting.</p>	<p>Clerk</p> <p>JBL/Clerk</p>
<p>5. Risk management & mitigation</p>	<p>Committee considered College Risk Register, Covid Risk Register, and New Build Risk Register, all previously circulated.</p> <p>Clerk was asked to put the person's name next to the document they were presenting on the agenda.</p> <p>5.1 College Risk Register:</p> <p>1. RKI asked why Ofsted was still a high risk as we have been inspected, JBL said the register wasn't the most up to date version.</p> <p>2. AJO commented that it was a very green risk register and she would expect some of the risks like financial management and internal controls to be coded as a higher risk.</p> <p>3. MOC asked if the register had been reviewed and if 22 risks on the register was too many, Mike Benson noted that the risks are categorised with only 3 to 4 items in each category and it's a smaller register than many others he sees. SLE feels that the right risks are on the register.</p> <p>4. Mike Benson said that a North West college had a ransomware attack last week and lost all their IT. SLE was aware of this and that there is currently an increased risk. MOC asked how this was coded on the register, SLE replied it was a normal risk and JBL said it wasn't a specific risk on the register. AJO thought it should be added as high risk on the register due to the ongoing incidents affecting the education sector. Wayne Brown said his other education clients have cyber security as a specific risk and recommended testing the human dimension eg staff clicking on a link. JBL will add this risk to the register.</p> <p>5. JBL said the college had specific insurance in place to deal with a cyber attack.</p> <p>6. SLE agreed that IT planning would be discussed at the next SLT meeting (16/5/22) and with the IT/network department and action taken.</p> <p>5.2 New Build Risk Register:</p> <p>1. RKI asked about the review dates, JBL said the register might not be the up-to-date version.</p> <p>2. EGI said that the fire plan (1.1) needs checking now the build has started, and the hoardings are in place. JBL</p>	<p>Clerk for agenda</p> <p>JBL</p>

	<p>confirmed this has been updated on the Disaster Management Plan.</p> <p>3. EGI enquired about adding construction risks, JBL will contact DfE and GT again to ask for sight of their risk register.</p> <p>4. MOC wants assurance that we have the right to stop the job if student/staff safety is at risk.</p> <p>5. SLE said DfE, and GT would be legally responsible, but he is responsible as principal for the welfare of his students and staff and there could also be a reputational risk, AJO said the college has a duty of care for staff, students and visitors.</p> <p>6. MOC said it was important to have a strong relationship with the site manager, EGI asked about the relationship and JBL confirmed he speaks to him daily and has a weekly meeting and is also made aware of their weekly schedule.</p> <p>5.3 Covid Risk Register: SLE said it was last updated when the removal of the legal requirement to self-isolate came into force. The register will be updated as the JCQ have now put in place a potential special consideration mark if a student is unable to attend an exam due to covid symptoms.</p>	<p>JBL</p> <p>JBL</p> <p>SLE</p>
<p>6. Internal audit</p>	<p>6.1 Committee considered Treasury Management Final Report, previously circulated, which Wayne Brown summarised. There are 3 medium and 2 low risk findings, the recommendations have been closed and actioned.</p> <p>1. RKI feels that he doesn't know enough about Flagstone which the college uses to manage its investments and he would like to see a paper presented with further information about how it works. JBL explained how it helps the college as an investment platform, the companies used are rated, regulated in this country and the college invests £85000 maximum to ensure they are protected by FSCS.</p> <p>2. RKI asked how much was invested, JBL said £1.3 million. MOC asked what interest it was earning and JBL confirmed the top rate on one investment was 1.5% but he is currently waiting for interest rates to move up. AJO checked that the performance of the investments is being reported to F&E Committee which JBL confirmed he does.</p> <p>3. Mike Benson checked that the F&E Committee limits each investment to £85000, JBL responded that the reserve policy allows them to go above £85000 on the F&E members approval. Mike Benson cautioned against investing above £85000.</p> <p>4. MOC asks who manages the split of investments and JBL confirmed that he does.</p> <p>5. SLE said that as A&R Committee have questions about the investments this should go back to F&E committee to provide answers and clarity.</p>	<p>Clerk: re agenda</p>

	<p>6.2 ALPS Assurance Review Letter, previously circulated, John Maher was to present this paper, but he didn't attend as his previous meeting overran.</p> <ol style="list-style-type: none"> 1. RKI asked if the paper was a validation exercise, SLE replied that it was designed to show the governors the validity of the ALPS system. 2. AJO said the bullet points about the advantages of using ALPS gave her assurance of how it was used although she found it imbalanced towards a product description. <i>John Maher has been asked to present the paper at Q&S Meeting (20/6/22).</i> <p>6.3 Progress Report, previously circulated, Wayne mentioned (Table, Section 4) that Network Management work will be undertaken during the follow up for the IT audit.</p> <ol style="list-style-type: none"> 1. RKI asked why the college's executive does not follow up the recommendations. Wayne responded that it's good governance to test and verify that management have implemented the recommendations. 	
7. External audit	<p>Mike Benson thanked the committee for reappointing Murray Smith as external auditors External Audit Strategy, previously circulated, Mike Benson summarised,</p> <ol style="list-style-type: none"> 1. The governors confirmed there has been no reported fraud. 2. Aware the building work is underway and will take account of it. 3. Covid may have affected some systems and aware that authorisation systems need checking. 4. No significant changes in financial reporting standards. 5. Significant risks remain unchanged. 6. Timetable of audit work in section 6 of the paper. 	
8. Post 16 Audit Code of Practice	<p>Previously circulated, list of changes on page 5 of the report.</p>	
9. Review actions from last meeting	<p>MOC and JBL will schedule a meeting to review the College Risk Register.</p>	MOC/JBL
10. Policies	<p>10.1 Disaster Management Plan, SLE summarised the 3 changes that have been made.</p> <ol style="list-style-type: none"> 1. Changes of members of DFT. 2. Lockdown (page 21), refinements made following the desk-based exercise recently undertaken. 3. Fire evacuation procedure has been updated. <p>SLE proposes to use the revised fire evacuation procedure as the next desk-based review.</p>	

	<p>MOC asked if the IT system could be tested before the end of the academic year. SLE said that SLT will discuss the robustness and security measures of the college systems with the IT manager.</p> <p>EGL asked if the college has in house experience to cope with a cyber attack. SLE said the IT team has been enhanced in the last year. AJO recommended a company called Jisc who has been used at her workplace to test her company's IT security and they undertook a desk-based review to test the IT systems.</p> <p>MOC asked if staff were tested by phishing emails, JBL said this had not been tested recently.</p> <p>Mike suggested that the IT department check with SFCA for an update on the recent college cyber attacks.</p> <p>10.2 Freedom of Information – the review date needs changing to May 2022 (cover sheet).</p> <p>10.3 Code of Practice covering Ethical Standards – the review date needs changing to May 2022 (cover sheet).</p>	<p>SLE</p> <p>JBL</p> <p>JBL</p>
9. Legal, regulatory, sector updates	None	
10. AoB	None.	
11. Confidentiality	No confidential minutes or papers identified.	
12. Date next mtg	Date of next meeting: Mon 19 Sep 4.30pm (<i>subject to sign off at Corporation 4/7/22</i>)	All: note

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 13/5/22

Approved & signed by Mark O'Connor, Chair dated 26/9/22