

**GREENHEAD COLLEGE CORPORATION**  
**Minutes of the Audit & Risk Committee meeting held via Teams**  
**Monday 26<sup>th</sup> February 2024, 4.30pm**

**Govs present:** Alison Jones (from 16.34); Anthony Hurley; Ed Wynn (from 16.36); Stuart Irving (Chair)

**In attendance:** Richard King (Associate Governor); Paul Goddard (internal audit) (via Teams); Mike Benson (external audit); Lauren Metcalfe (DoFF); Sarah Walters (DoEO); Simon Lett (Principal); Ron Hill (Stone King); Alison Shillito (Stone King); Sharon Roper (Clerk)

**Apologies:** Chris Kneale; Elliot Gill; Mohammed Usman

| <b>AGENDA ITEM</b>           | <b>DISCUSSION</b>   | <b>ACTION</b> |
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| <b>1. Welcome, Apologies</b> | <p>Participants welcomed.<br/>Apologies as above.</p> <p>Everyone introduced themselves for the benefit of new staff, new internal auditor and observers from Stone King.</p> <p>The meeting started at 16.34 to ensure quoracy throughout.</p> <p>SIR asked if the internal or external auditors wanted to speak to the governors without GC staff being present, neither of them did.<br/>Paul Goddard (PGO) said that this could be added into one meeting annually in a selected meeting and Mike Benson (MBE) suggested during the joint Audit &amp; Risk/Finance &amp; Estates meeting in November each year.</p> | Clerk         |
| <b>2. Declarations</b>       | No declarations of pecuniary/ prejudicial interest.   |               |
| <b>3. Minutes 13/11/23</b>   | <p><b>3.1</b> Minutes 13/11/23, previously circulated, approved by Committee, signed-off by Chair, returned to Clerk for filing.</p> <p><b>3.2</b> Matters arising:<br/>1. (13/11/23 Min. 4.6), Risk Registers<br/>2. (13/11/23 Min 4.18), Bi-annual scenario test<br/>These two are still outstanding for reasons that will become clear during the meeting.<br/>3. RKI noted that having a matters arising/outstanding actions list makes it easier for governors.<br/>4. SIR said that SLE is not usually involved with the work he's undertaken since the last meeting, but he has filled in</p>                    | Clerk         |

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|   | <p>due to the resignation of a previous role holder, SIR thanked him for this.</p> <p>5. SIR went through the matters arising/outstanding actions list, committee members had no further questions.</p>   |  |
| <p><b>4. Risk management &amp; mitigation</b></p> | <p>Committee considered Risk Policy, New Build Risk Register and College Risk Register, all previously circulated.</p> <p><b>4.1 Risk Policy:</b></p> <p>1. Audit One gave a limited assurance score to their Risk Management audit last year.<br/>A different college sponsor for the audit might have resulted in a different outcome. There were a number of recommendations to follow up.</p> <p>2. SLE revised the policy as SWA has only been in post one week and Scrutton Bland will complete another risk audit as GC doesn't want limited assurance on Risk.</p> <p>3. The policy now includes sections about the role of the A&amp;R committee, CLT, Internal Auditors, Corporation, and other committees.</p> <p>4. AJO asked for nomenclature to be tidied up as the policy refers to board of governors, governor committees and government committees.</p> <p>5. RKI said that in the policy it states:<br/><i>'For each significant risk identified, the Corporation will: review the previous year and examine the College's track record on risk management and internal control'</i><br/>RKI has never seen this being demonstrated.<br/>SLE suggested that at the year-end SWA and CLT will review risk management across the year.</p> <p><b>4.2 New Build Risk Register:</b></p> <p>1. The new build risk register has a new format following a recommendation from Audit One. If the committee is happy with this, it will be rolled out as a template to the main risk register.</p> <p>2. The main changes to the risks are further detail on sources of assurance and the progress of the mitigation plan completion date.<br/>The central changes are to the scoring matrix, explaining the meaning of the term 'likelihood' and 'impact', a breakdown of the scores and a score for the risk appetite.</p> <p>3. SWA will now be the person in charge of the risk register, and she will have ideas around developing it further.</p> <p>4. SLE said there is a slippage of objectivity on the risk register around the scores and risks, SLE, SWA and EWY will have a further meeting to look at this in detail.</p> <p>5. PGO recommended adding in the trend (movement) of risk and target risks and suggested that the board should approve the risk appetites.<br/>SIR asked SWA to speak to PGO in more detail about his suggestions.</p> | <p>SLE</p> <p>SWA/CLT</p> <p>SLE/SWA/<br/>EWY</p> <p>SWA/PGO</p> |

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|  | <p>6. MBE said that after mitigation there is still a possibility that the risk will happen and asked about planning for the risk happening.<br/> AJO said for some risks you tolerate the risk or insure against it.<br/> EWY said that adding this to the register for each risk repeats operational processes.<br/> Using cyber security as an example, AJO said that her workplace would never detail their position in documentation in the event of a Ransomware attack, although key management staff are aware of the position. Also, general operational information is held in a disaster recovery plan.<br/> SWA said that if the risk happens, the Disaster Recovery Plan and emergency planning is used.<br/> MBE said that the Disaster Recovery Plan should cover all the final columns on the risk registers.</p> <p>7. SIR thanked EWY and SLE for their work on the risk registers.</p> <p>8. AHU asked how often the risk appetite rationale will be reviewed, as Financial is currently scored highly due to a contingency in the budget. CLT look at this every half term. AHU suggested a quarterly review on specified dates to check the rationale is still relevant or to adjust it.</p> <p>9. RKI questioned the higher appetite on Financial just because £50,000 is in a contingency fund.<br/> AJO said she feels comfortable with this due to regular reviews, and reports to A&amp;R committee periodically.<br/> SLE said CLT review will include likelihood, impact of the different risks and risk appetite.<br/> AHU said the likelihood, guidance and impact are constant, but the appetite does change.<br/> SLE said the contingency has reduced so there is less risk appetite on the financial side so the risk will be reviewed.<br/> MBE said an annual review of the risk appetite by governors would be appropriate to coincide with budget planning and other planning activities.</p> <p>10. RKI asked about 5 risks which are past their review date and 5 risks which are significant.</p> <p>11. The following risks have been lowered:<br/> - Fire evacuation area is not large enough (line 3), this was lowered following last term's fire evacuation practice.<br/> - Deliveries to the college are disrupted (line 4), there have been no issues.<br/> - Staff, students and visitors are not safe on site due to building works (line 9) - we are several months into Phase 3 and there have been no issues.<br/> - P3 accessibility for all students (line15) the site is DDA compliant.<br/> - Hirst building not working as intended (line 19) issues have been addressed.<br/> - Demolition works during Phase 3 affect teaching and learning (line 5), an unknown as demolition hasn't started yet.</p> | <p>SWA</p> <p>CLT</p> <p>CLT</p> |
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|  | <p>12. The biggest risks are:</p> <ul style="list-style-type: none"> <li>- Building site makes estate lockdown harder to accomplish (line 11), SWA is looking at this.</li> <li>- Asbestos works (line 14), nearing the end of the asbestos removal phase</li> <li>- P3 disruption during exam time (line 16), demolition impact is a big unknown.</li> <li>- PE curriculum and enrichment are affected by losing MUGA for 3 years (line 22), the new all-weather pitch is being handed over this week.</li> <li>- Unforeseen costs are required to complete the project and unforeseen additional costs during the build are made College responsibilities (lines 27 and 28), the non-pay lines in the budget in terms of future spend.</li> </ul> <p>13. Governors did not have the line numbers on printed copies, they can be seen on the Excel spreadsheet, AJO asked for numbered rows to be added.</p> <p>14. SLE said the key issues are the demolition which hasn't started yet as they have been stripping the asbestos out, the invasiveness and impact on exams and the non-pay lines in the budget.<br/>Some of these are unknown until the phases start, plans are in place to address them, although further measures may need to be put in place.</p> <p>15. SLE said the reviews that are overdue have been reviewed and these need updating.</p> <p>16. SIR asked about the MUGA handover, at one point it was delayed but will now be formally handed over on 28/2/24. It will be used by PE, enrichment and externally. It will be tested, and a tractor is provided to clean and keep the pitch in good repair. If there are any issues GT are still on site.</p> <p><b>4.3 College Risk register</b><br/>RKI asked about the college risk register, travel problems remain in red.<br/>This is being worked through, the train station is closing for two periods, March-April 2024, and April-May 2025. The exact closure dates are unknown. A temporary platform will be in place near Halfords &amp; Matalan. It is highly likely that GC will provide a shuttle bus from the temporary platform to GC. Students are being surveyed to find out how many use the trains and from which destination.<br/>Jason McCartney, MP, can lobby for key times in the year for closure dates to be changed as May closure will impact formal exams. It may affect exams this year if the date of the closure is delayed.<br/>The risk is high because it is an unknown.<br/>SIR said some GC students travel quite a distance and asked if GC are looking at buses from several locations in addition to the shuttle buses.<br/>RAR has asked CLT to look at this and bring a proposal to Strategy Day (17/4).</p> | <p>SWA</p> <p>SWA</p> |
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|                                  | <p>Audit and Risk Committee approved the Risk Policy subject to the requested amendments and the new format of the Risk Registers subject to the requested amendments.</p>   |                        |
| <p><b>5. Asbestos report</b></p> | <p>SWA summarised key points from the Asbestos report, previously circulated.</p> <ol style="list-style-type: none"> <li>1. The Asbestos Report was completed in 2020.</li> <li>2. The significant areas of asbestos have been removed: from the boiler room in the main building, and the asbestos is currently being removed from the science block, prior to the demolition work.</li> <li>3. SWA proposed that a new Asbestos survey be completed after the building work ends together with a management plan</li> </ol> <p>The remaining asbestos is a medium risk, and this will be monitored on a 12 monthly cycle.</p> <ol style="list-style-type: none"> <li>4. AJO asked that an executive summary be produced for governors to explain why they have been given reports like this in future, as in this case the asbestos report is 158 pages.</li> <li>5. SIR asked SWA to ask the asbestos removal firm if they identified any asbestos that GC was unaware of.</li> </ol>   | <p>CLT<br/>SWA</p>     |
| <p><b>6. Internal audit</b></p>  | <p>Update on Internal Audit by Paul Goddard.</p> <p><b>6.1 Internal Audit Schedule</b><br/> PGO and SLE built the plan and SLE ensured A&amp;R committee were engaged in the proposal.<br/> The schedule spreads the four areas identified over the next four months.<br/> The audits scheduled give a balance and are Financial Controls, Risk Management, Course Viability and Data Management.<br/> The Key Financial Controls will be ready for the first meeting of 2024/25 together with the annual report, and the other three reports will be ready for the Summer.<br/> PGO said that the draft internal audit plan for 2024/25 will be ready for the summer meeting.<br/> EWY confirmed that SLE asked for input from all members of the committee.<br/> EWY asked that governors be provided with a precis of the Terms of Reference showing the scope of the audits and used Data Management as an example saying he might have suggestions for this particular audit subject.<br/> PGO agreed to share the audit scoping documents.<br/> SIR said that SWA, Chair and EWY may want a Teams discussion with Scrutton Bland around some of the issues that have been identified.</p> <p>The 2023/24 Internal Audit Schedule was approved.</p> | <p>PGO<br/>SWA/PGO</p> |

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|   | <p><b>6.2 Follow up – update – to note</b></p> <p>There were no questions or comments regarding the Follow up update.</p>   |                         |
| <p><b>7. External audit</b></p>             | <p>Nothing to present.</p>  |                         |
| <p><b>8. Amended Terms of Reference</b></p> | <p>Terms of Reference, previously circulated. Changes made are highlighted in red.</p> <p>The ToR says that we comply with the requirements of Managing Public Money and RKI asked for the differences to be documented.</p> <p>MBE said this covers a range of things like executive pay, special transactions, and being unable to borrow. Full information will be included in the college financial handbook which will be issued shortly.</p> <p>SIR asked LME to provide him with a copy of the handbook when it is available.</p> <p>Committee members agreed to recommend the Audit &amp; Risk Terms of Reference to Corporation, subject to the requested amendment.</p>   | <p>Clerk</p> <p>LME</p> |
| <p><b>9. Policies</b></p>                   | <p>The policies were previously circulated.</p> <p>1. Disaster Management Plan Policy – This is a confidential item.</p> <p>2. Health &amp; Safety Policy – PGO asked why the Health &amp; Safety Policy has come to A&amp;R committee – it’s one of the policies overseen by this committee.</p> <p>PGO asked where Health &amp; Safety is reported in the Board structure. SLE said that estates related health and safety issues come via Finance &amp; Estates committee, he reports on near misses and accidents at Corporation in the CLT report.</p> <p>MBE said that there appears to be a lack of clarity around health and safety in the governance structure.</p> <p>SLE said policies were audited and assigned to relevant committees a couple of years ago, and this needs to be refreshed.</p> <p>RKI asked for a spell check to be run on the policy.</p> <p>AJO noticed in paragraph 5 a strike out with no replacement, this has been corrected and a revised copy was circulated prior to the meeting.</p> |                         |

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|   | <p>SWA said the policy meets the Health and Safety Executive criteria, she feels it can be developed and made more robust in the future.</p> <p>MBE asked which committee a Health and Safety report would be sent to – SWA said to Audit &amp; Risk.</p> <p>SIR asked for a written response about where health and safety sits in the governance structure.</p> <p>Both policies approved by the committee, subject to the amendments above.</p>   | <p>CLT</p> <p>Clerk</p> <p>CLT</p> |
| <p><b>10. Legal, regulatory, sector updates</b></p> | <p>Mike Benson gave the following updates:</p> <ol style="list-style-type: none"> <li>1. Following sixth form colleges entering the Public Sector and adhering to Managing Public Money, a college financial handbook will shortly be issued, and will be similar to the academies financial handbook. This is due at the end of March.</li> </ol> <p>MBE said Finance should jump on this straightaway and it will clarify all the financial rules.</p> <p>MBE confirmed that GC was compliant when he made his report in November.</p> <ol style="list-style-type: none"> <li>2. There has been a continued debate about college year-end because of the move to the public sector, the treasury wants the year-end to be March and DfE prefers July. The plan is for DfE and several selected colleges to trial a data collection over a one year period 2024/25. If this is successful colleges will not have to change their year-end.</li> <li>3. SIR asked for an update on pension assets being recognised - ESFA wrote to ICAEW and the Financial Reporting Council, and neither has given an answer. Colleges can continue to recognise the asset or not. RKI said if the government want figures from the end of March, they will need to make a decision to ensure consistency. MBE said this figure doesn't mean much, and a figure will appear in a note to the financial statements even if the college hasn't recognised the asset on the balance sheet.</li> </ol> <p>SIR asked LME and MBE to update A&amp;R when any decision is made on pension assets.</p> <p>MBE said that this indecision will not cause a problem to GC.</p> <ol style="list-style-type: none"> <li>4. SFCA have produced a manifesto and the first thing on their list is more funding.</li> </ol> <p>Clerk confirmed the manifesto has been shared with all governors.</p> <ol style="list-style-type: none"> <li>5. SLE asked if there is any information about colleges being allowed to keep their surpluses, following moving to the public sector. This was going to be reviewed.</li> </ol> <p>MBE is unaware of any review. It would be impossible for the government to introduce this in a short timescale.</p> | <p>LME</p> <p>LME/MBE</p>          |

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|                            | 6. LME, Director of Finance and Funding is new to role, MBE and colleagues from Murray Smith will arrange a meeting with her. | LME/MBE   |
| <b>11. AoB</b>             | None.   |           |
| <b>12. Confidentiality</b> | Disaster Management Plan Policy.  |           |
| <b>13. Date next mtg</b>   | Date of next meeting: Mon 29 Apr 4.30pm, at College   | All: note |

**Minutes prepared by Sharon Roper (Clerk to the Corporation) on 6/3/24**

**Approved & signed by, Stuart Irving, dated 13/5/24**