GREENHEAD COLLEGE CORPORATION
Minutes of the Audit & Risk Committee meeting held via Teams
Monday 13th May 2024, 4.30pm

Govs present: **Alison Jones; Anthony Hurley (from 16.40); Chris Kneale (until 17.00); Ed Wynn; Elliot Gill; Stuart Irving (Chair)**

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

Apologies: **Mohammed Usman**

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, Apologies	Participants welcomed, and Nicola Tucker (NTU), from Murray Smith. Apologies as above. SIR asked if the internal or external auditors wanted to speak to the governors without GC staff being present, neither of them did.	
2. Declarations	No declarations of pecuniary/ prejudicial interest.	
3. Minutes 26/2/24	**3.1** Minutes 26/2/24, previously circulated, **approved** by Committee, signed-off by Chair, returned to Clerk for filing. **3.2** Matters arising: 1. (26/2/24 Min 4.2.5), approving risk appetites, SIR asked for a definition of a risk appetite - SWA said a risk area is scrutinised and a decision is made on how averse to risk the organisation is in that area. MBE added there can be an upside to some risks, for example, financial risks when investing. 2. (26/2/24 Min 5.) GT did find additional asbestos prior to demolition, this was removed correctly, there was no risk to staff who had been working in those areas. SWA said the cost to remove this was covered by the contract between GT and DfE. 3. (26/2/24 Min 6.1), further discussion with Scrutton Bland around Risk, SWA said following the feedback of the Risk Internal Audit she may want to arrange a meeting with PGO. 4. (26/2/24 Min 9.1) EWY confirmed he received a detailed response from PDI about information security.	Clerk SWA

	5. (26/2/24 Min 9.2), Clerk provided information in the matters arising document of where responsibility sits for Health & Safety. The Health & Safety Policy should have gone to F&E for approval, Chair of F&E asked for amendments to the policy at Corporation 18/3/24 and this has been updated. 6. SIR observed that following SWA and LME's appointments there has been increased activity and improvement and thanked them both. 7. EWY asked for due dates on the matters arising document for outstanding actions.	Clerk
4. Risk management & mitigation	Committee considered New Build Risk Register, College Risk Register, and Risk Appetite, all previously circulated. **4.1** New Build Risk Register & College Risk Register, SWA has updated both risk registers as follows: 1. An ownership and oversight tab has been added, defining roles in managing the risks from CLT being responsible, to committees and onto ultimate accountability at Corporation. It's made clear which risk areas committees have oversight of. 2. A risk appetite tab has been added, with a narrative for each risk area and an appetite statement for each risk area. 3. Column A is the date raised; pre-existing risks have been given the date of 1/9/23. 4. A risk ID has been allocated to each risk. 'H' has been added to the risk ID on the Hirst Risk Register. 5. The risk description column has been streamlined, which highlights the 'so what' to that risk. 6. Column L has actions from the previous iteration of the register, this will become a running commentary of the actions taken over time, which allows governors to track them. 7. Column N details the status: new risk, live risk (actively managing), monitor risk (mitigations in place but risk is still relevant) and archive risk (move to archive). This will allow for filtering of the archived risks when looking at the registers. 8. Column O is a progress update and is relevant to the meeting where the risk is reviewed. This is a key column for governors to find information on changes to risks. 9. Columns R,S and T show the changes within the residual risk ratings. 10. Column U shows any movement of the risk trend. PGO said this is timely because the Risk Management internal audit is currently underway and said there is good practice in the registers. He will discuss next steps with CLT at a feedback meeting on 15/5/24.	

	PGO said that his company can deliver Risk Management training. SIR said that the External Governance Reviewers (EGR) recommended Risk training for A&R committee members. EWY said that the training recommended by the EGR is around audit requirements and asked governors if they were interested in training. RKI confirmed he would be interested. MBE said the updated risk register is the best he’s seen in any sixth form college.	
	SWA has created a Risk Register Update paper to identify status and risk rating changes in key risks. Governors **agreed** that this summary will now be sent to governors in the meeting papers.	
	RKI asked when Column T is still red, this will be a significant issue – SWA confirmed that is correct.	SWA/Clerk
	EWY said with P3 the residual and revised risk is higher than the initial risk, SWA will pick this up with JNO.	SWA
	4.2 Risk Appetite: The rationale for the risk appetite for the risk areas is detailed. CLT have proposed the risk appetite for each of the risk areas. EWY said the lowered Financial risk is more appropriate. EWY asked about Teaching & Learning referencing Hirst building and expects this to be broader than Hirst.	
	SWA will remove the Governance risk area on the Hirst Risk register, as these are estate risks with governance oversight.	SWA
	EWY asked about merging the registers into one register, SLE wants to keep them separate. The Hirst risk register will be renamed as the Capital development Risk Register.	SWA
	The Main Risk Register will have a risk around capital development projects unable to meet deadlines, with the other risk register having greater details.	SWA
	PGO asked about Student Support, which is blank - a further update with further detail was issued prior to the meeting.	SWA
	PGO asked where safeguarding sits in the risk appetite – it sits under student support (SS2). Governors **approved** the risk appetites pending the amendment to Teaching and Learning on the main risk register. SIR **thanked** SLE, SWA and EWY for their work on the risk registers.	

5. Internal audit	Update on Internal Audit by Paul Goddard. **5.1** GDPR Report – 1. This report has received a mid-range 'reasonable' assurance score. 2. During the audit it was observed that SWA, who had only been in post for a short period, had started to work on the key areas with action plans already in place. 3. Data Mapping was not raised as a recommendation because CLT were already aware that this is needed with regular refreshment follow up. 4. Another observation is there has been no reported data breaches, this is unusual, and a training piece will help support this. PGO shared an example of another college he works with who have had 43 data breaches in six months. PGO suggested a normal amount is 1 to 5 data breaches in any given period. 5. There were 2 medium risk and 7 low risk recommendations. CLT have agreed with all the recommendations. 6. The first medium risk is recognising that third parties, software providers and organisations have access to GC's secure data. These companies need identifying and sharing agreements should be put in place with them. 7. The other medium risk is that GDPR training was undertaken by staff three years ago. Other organisations run the training every one or two years. 8. Low risks included reviewing and refreshing policies and procedures. 9. AJO is surprised at the lack of data breaches and feels this is linked to the length of time since staff received training and said that data breaches can be a good opportunity to learn. 10. EWY asked about the data sharing agreements and how this is progressing. PDI and SWA are in the early stages of this and have started contacting the companies involved. AJO observed that by not having data sharing agreements GC already has data breaches. 11. EWY asked CLT to track KPI's around data breaches and GDPR training. SWA said her long-term plan is to have an overarching Estates and Operations KPI for Health & Safety, GDPR etc. SWA has created a data breach flow chart that she will share with staff, it includes examples of data breaches. SIR asked how everyone will be trained – SWA said staff will complete online training and this will be a rolling two-year programme. Governors will be asked to complete this training as well. AJO asked about Subject Access Requests storage arrangements and suggested access to the Data Protection Officer only rather than all senior managers. SWA has set up a dedicated email address for Subject Access Requests	SWA SWA CLT/Govs

	and these will go directly to her, there is a log and SWA can make the requests inaccessible to certain staff. AJO asked why the requests are shared and suggested only SWA and a delegate have access to them. EWY asked how many we receive – SLE said we had several during the pandemic when A Level results were derived internally. Since then, another Subject Access Request was refused on legal advice because it would have identified individuals. SIR asked about Freedom of Information requests – there have been several recently, these have been logged and responded to. **6.2** Progress report – -Data management – completed. -Risk Management – currently underway. -Financial Controls – due end of June 2024. -Course Viability – following a CLT request, moved to July 2024. -Business Continuity – due July 2024. 1. PGO will continue to share the briefs of the internal audits with A&R committee members. 2. PGO said that he is happy to discuss the next AY Audit Plan offline as this is the final A&R meeting of the AY. 3. EWY questioned the dates of the A&R meetings, the Clerk confirmed that the last scheduled meeting of A&R in AY 2024-2025 is in June 2025 instead of May. 4. EWY asked that the Risk Management feedback results are shared prior to the next scheduled A&R meeting (23/9/24). 5. PGO said that a draft Audit Plan for 2024/25 and the draft Risk Management Audit can be ready for mid-June. SIR suggested that he and EWY speak to PGO about these two documents when they are available and added that all committee members are welcome to attend as well. A&R committee members **approved** this approach. 6. EWY asked for ‘what if’ scenario modelling at Strategy Day (17/4/24) in relation to Course Viability and said the upcoming internal audit might be a good opportunity to start thinking about this.	PGO EWY/SIR/ PGO
6. External audit	Audit Strategy Memorandum, previously circulated, summarised by NTU. Key points included: Section 1 is an introduction and reiterates the fees from the engagement letter of 2021. Section 2 confirms that an audit report for the financial statements, an audit report of regularity, and an audit completion report which can be uploaded to ESFA will be issued this year.	

	Eight months' management accounts to March have been viewed and the college has an operating surplus of £680,000, this is £188,000 improvement to budget, mainly due to additional income received from ESFA, bank interest received and learner support income. The cash at bank in March is healthy at £5.6 million. The Hirst building has been transferred to the college at a value of £14.1 million. External auditors have assessed that the college is in a good financial position. Murray Smith have assessed the risk level for their audit to be low. Section 5 confirms the audit approach. Section 6 states the key risk areas, significant risks in every audit they undertake are revenue recognition, going concern, and management override of controls. Other audit risks specific to the college and the education sector are expenditure, (existence, allocation and value for money), payroll, accrued deferred income and expenditure, capital expenditure and fixed assets and Local Government Pension Scheme. Section 8 sets out the audit timeline. NTU and LME had a meeting to discuss the plan for the year. The Teacher Pension is being reviewed and will be filed by the end of May. Fieldwork on site starts at the end of September, and the completion report comes to the joint committee meeting in November. LME said they had a thorough meeting, where expectations were set. A&R committee **approved** the Audit Strategy memorandum. SIR asked about the level of reserves held by GC – NTU said many colleges hold this level. MBE said when they were first appointed as auditors to GC the cash position was poor. In the last six years this has moved into a healthy position. MBE said because colleges can no longer borrow, a cash reserve is needed for any future plans. SIR thanked SLE for turning the position around in a positive way and keeping staff on board while this was done.	
7. College Financial Handbook	College Financial Handbook and summary, previously circulated. This is the reference document confirming the rules for Managing Public Money (MPM). LME said there was nothing in the document that she was unaware of.	

8. Post 16 audit code of practice	The summary of changes to the Post-16 Audit Code of Practice were previously circulated. EWY asked the external auditors if GC are compliant with this document. MBE said this is primarily guidance for external auditors when auditing the college. Nothing much has changed. Grants used to be signed off using an Annex G procedure, this has now been abolished.	
9. Amended Terms of Reference	Audit & Risk Terms of Reference, previously circulated. Following feedback in the External Governance Review Report, the Terms of Reference must be explicit that the Principal and the Chair of the Corporation must not be A&R committee members. AJO asked that the second part of this sentence be removed: **'**The quorum for the Committee shall be three Governors *but must not include the Chair of the Corporation or the Principal'*. A&R committee members **approved the amended Terms of Reference subject to the above amendment**. SLE said the External Governance Review Report is fair, it recognised good features of committees and the Corporation. The main themes are that there is transparency, integrity and scrutiny. The main recommendations are around agenda setting and tracking the strategic objectives across committees and Corporation and giving a greater voice to committee chairs at Corporation meetings. There should be careful dovetailing between the Clerk, Principal, Chair of the Corporation and Committee Chairs. There was also discussion about streamlining committee and Corporation papers. SIR asked if external auditors would like a copy of the report – MBE confirmed he would, Clerk to check with the Chair of Corporation before sharing it.	Clerk Clerk
10. Policies	**10.** Data Protection Policy was previously circulated. 1. AJO found some typo errors in the document and passed these to SWA to correct. 2. EWY asked that in the table of Retention Periods the word 'suggested' is removed and changed to stronger wording and remove '1' from the Retention Periods page. 3. EWY asked if the comprehensive schedule can be evidenced – SWA said this is still being worked on. 4. EWY asked about deletion, archiving and anonymising and said care needs to be taken especially around archiving, as this does not stop subject access requests.	SWA SWA CLT

	SWA said paper records are kept in an archive store, PDI and SWA are working on management of electronic data and potential automatic deletion.	
11. Confirm new Chair	A&R committee members **approved** Ed Wynn as new Chair of A&R.	
12. Legal, regulatory, sector updates	Mike Benson gave the following updates: 1. MBE attended an auditor's forum who said that the Institute of Chartered Accountants will shortly issue guidance on how colleges should deal with assets in the Local Government Pension Scheme. LME will contact NTU in advance of requesting the annual report from the actuaries to discuss which type of report is required from them. 2. In the College Financial Handbook there is further codification around novel transactions and severance payments which need authority from ESFA. If there is a transaction that is not in the normal course of business, check the handbook and get prior approval from ESFA. 3. SIR asked if governors should be aware of any changes to the Local Government Pension Schemes. MBE said most education clients are showing an asset, but this is based on assumptions like high interest rates, so this is subject to future change. 4. RKI asked if any further information is available about potential year-end changes. NTU said there is a DfE pilot currently underway, keeping July year-end and providing additional information to the end of March. MBE said that audit fees for the education sector will increase if the year-end is moved to March.	LME
11. AoB	None.	
12. Confidentiality	Nothing.	
13. Date next mtg	Date of next meeting: Mon 23 Sept 4.30pm, at College	All: note

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 5/6/24

Approved & signed by Ed Wynn dated 23/9/24