GREENHEAD COLLEGE CORPORATION
Minutes of the Audit & Risk Committee meeting held in Upper Greenhead House
Monday 23rd September 2024, 4.30pm

Govs present: **Chris Kneale (left 18.00); Ed Wynn (Chair); Mohammed Usman (from 16.33, via Teams); Stuart Irving**

In attendance: **Mike Benson (external audit); Ryan Pearce (internal audit) (via Teams); Lauren Metcalfe (DoFF); Sarah Walters (DoEO); Mo Bunter (Principal); Sharon Roper (Clerk)**

Apologies: **Alison Jones; Anthony Hurley; Paul Goddard (Scrutton Bland)**

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, Apologies	EWY welcomed participants, with a special mention to MBR who is observing her first A&R meeting. Apologies as above. EWY advised committee members that RKI and EGI resigned as GC governors during the summer, and they were both A&R committee members. The membership of A&R committee will be addressed this AY.	EWY/Clerk
2. Declarations	No declarations of pecuniary/ prejudicial interest.	
3. Minutes 13/5/24	**3.1** Minutes 13/5/24, previously circulated, **approved** by Committee, signed by Chair, returned to Clerk for filing. **3.2.1** Matters arising: 1. EWY asked that the name of this document is changed to action log. 2. (26/2/24 Min 1) Asking if the internal or external auditors want to speak to governors without GC staff being present. EWY asked why this action is still open - Clerk left it open until the annual agenda item of governors speaking to auditors without staff present. 3. (26/2/24, Min 10.3) LME and MBE to update A&R when any decision is made on pension assets – there will be an update later in today's meeting. 4. (13/5/24, Min 3.2.3), Risk Internal Audit – a final paper is on today's agenda – to be closed. 5. (13/5/24, Min 4.2), merging the risk registers into one register – it was decided to keep the registers separate. EWY asked if the Hirst Risk Register should be renamed Capital Development Risk register – SWA said when GC moves to general capital development projects, a risk	Clerk Clerk Clerk

	associated with project management and capital development should sit as an overarching risk. An additional new risk register can be reviewed in the future if a significant capital development is approved. EWY asked what should happen to Hirst Risk Register which still has some risk on it – it will remain until the end of the DfE project. Governors were **happy** with this approach. SIR asked about any potential insolvency of the contractor – this risk is captured on the risk register. 14. (13/5/24 Min 5.1.11) A Data breach flowchart has been produced, additional GDPR policies will go through committees before the process including the flowchart is launched to staff. If a data breach does occur CLT can access the flowchart. This action can be closed. 15. (13/5/24 Min 5.1.11) Staff training for GDPR, this has been rolled out to all staff, Smartlog is being rolled out to capture and manage future training. In response to SIR's question, Smartlog is a health & safety compliance platform which is used to track tests and checks for statutory compliance, it has an automated training platform, manages first aid and accident reporting, and details annual servicing. SWA can check estate management from one source. It costs £2000 pa. EWY asked if Smartlog tracks who has our data – it does. 16. Action log numbers 4,6,7,8, 9,10,11,13,15,17,18,19,20, 21 are **approved** for closure. **3.2.2** IT Disaster Scenario – This is a confidential item.	Clerk
4. Meeting of Auditors with Members only if required (No Officers)	EWY asked if either of our auditors would like a meeting with governors only (no staff present). Neither did. MBE asked if a governor only conversation will happen annually – it will, Clerk said it will be on the agenda at the joint meeting on 11/11/24. LME and MBE suggested this could happen at the following A&R meeting because the next meeting is joint with F&E. CKN (staff governor) asked if he needs to leave the meeting when governors and auditors meet without staff present, the Clerk will investigate this.	Clerk
5. A&R Committee Plan	EWY has developed an A&R Committee Plan, previously circulated. 1. EWY asked for feedback from committee members and used this and the recommendations from the External Governance Review when developing the Committee Plan. 2. EWY and the Clerk visited Sheffield College last term to observe an Audit meeting, in response to SIR's questions highlights included comparisons with our committee membership, they are large scale enough to undertake	

	some of their own internal auditing, although an established committee they are on a continuous improvement journey, and they are providing data on gifts and hospitality which EWY and SWA have discussed offline. 3. MBE shared that he attends numerous audit meetings at other colleges and said our agendas are similar and using the risk register and the impact it has throughout the college is important. 4. EWY said the Audit members at Sheffield College had strong audit and risk backgrounds. MBE said Audit committees of GC's size have members with mixed backgrounds, and he doesn't feel we are an outlier. 5. EWY asked committee members to undertake core Risk training that has been identified via ETF. The link is in the Committee Plan. Committee members are asked to email the clerk to confirm they have completed the training. Risk management training will be provided by Scrutton Bland for all governors and CLT members. Murray Smith will also provide training around key concepts from an external audit viewpoint. Managing Public Money will also be included in this training. EWY suggested that F&E committee members are also invited to this training. 6. SIR said that he liked the annual cycle of business and policy review schedule that was included in the Committee Plan. 7. A tracker will be developed for the internal and external audits which will be in place shortly. 8. SWA is developing a KPI monitoring form, and she shared the draft with committee members. It is a scorecard and overview of key areas within the college which will give governors and CLT highlights of potential issues and as it rolls out it will build up trends. Areas covered on the monitoring sheet are Health & Safety, GDPR, IT, Finance, HR, Governance, Quality of Education and Student Support and Welfare. The link to the risk register is also captured for each KPI. This will be issued to governors each half term after the document goes live and it will help with consistency and reduce Corporation reports. MBR added that it will link to the Strategic Plan, and the progress against the KPIs will be added into it. RAG rating parameters will be added into the document. SIR asked about historical data, SWA will add another sheet for each academic year so comparisons to previous years can be made. MBE said this is the most comprehensive version of similar documents he has seen, and Ryan agreed and thinks it's a positive move. . SWA said that CLT should already hold this data, and it should be an easy task to keep the document updated. The KPI monitoring form will be piloted after half term and will be available on SharePoint.	A&R members EWY/SWA EWY/LME Clerk SWA SWA

	SIR asked if this would cause too much work - it will be tested in the trial, MBR doesn't want duplication but feels this will become a useful operational document. EWY asked for an update in A&R (11/11/24). 9. SIR asked about thanking RKI for his input to A&R and to the governing board over several years. 10. EWY asked about a Cyber Essentials Plus certificate, this last came to A&R in September 2022, MBR confirmed this is annual, EWY asked that this is followed up to make sure it is in place. 11. EWY asked committee members for feedback and if members do not feel that this is the right committee for them, please speak to him.	SWA Clerk SWA A&R committee members
6. Regularity Self-Assessment Questionnaire	Draft Regularity Self-Assessment Questionnaire, previously circulated. SLE and LME worked on the questionnaire which is an annual review of our controls, compliance, and reporting. LME confirmed there is nothing in the questionnaire that is out of the ordinary. As part of their regularity work the external auditors check that the evidence referred to in the questionnaire exists. A&R committee members **recommend approval** of the Self-Assessment Questionnaire to Corporation.	
7. Risk Registers & summary of key risks/KPI	Risk Register Update, College Risk register and Hirst Risk Register, all previously circulated. The update details any changes made to the registers following the recent CLT review. 1. EWY asked about (E3) - new Disaster Recovery and Business Continuity Policy to A&R in September - SWA confirmed this will come to A&R 11/11/24. 2. (F7) misrepresentation by an individual or organisation – CKN asked for a spelling error to be corrected 'formerly' to be changed to 'formally'. 3. SWA said that on the main risk register, risks have been moved from active to monitor because after mitigation the residual risk sits within the risk appetite. 4. Nothing on the main risk register is proposed to archive. 5. (P2) Increase in competition leads to reduction in student numbers and Enrolment targets not met leading to decrease in funding. CDC committee (18/9/24) asked that retention is added to this risk. SWA will take a rewording to CLT of (SS1 - Student retention and achievement falls) to add 'leading to reduced numbers and fewer applications and reduction to funding'. The committee discussion around this agreed that retention (SS1) is a separate risk to (P2). SWA will take this to CLT meeting for further discussion and will confirm the revised risk at the next iteration.	SWA SWA SWA

	6. CDC (18/9/24) had no comments on the Hirst Risk Register updates. There are several risks that are proposed for archive, predominantly around demolition which is now complete. GT are on week two of a three-week timeline to erect the steels for the infill. 7.EWY asked about the three estates risks (E1, E3 & E5) and one HR risk on the College Risk Register which are all outside the risk appetite. SWA said that these risks don't currently sit at that level but the documentation for disaster management and cyber-attacks has not been presented to CLT yet. 8. EWY asked about the risk rating around a new HR system and asked if there is sufficient control in respect of this. SWA said that she will be reviewing this with the risk owner. Smartlog and procurement policies and procedures will probably allow this risk to reduce to within appetite. EWY said that if there is evidence that there are manual processes in place, this will be accepted by A&R committee. 9. SIR asked about (P4) Internal appointment of Deputy Principal to Principal post – SWA said there are temporary gaps because of internal appointments, reassignment of duties and an interim structure is in place to mitigate this. MBR added that there is a risk to Ofsted, and she wants the risk to stay until she has passed her probationary period.	SWA SWA
8. Risk Management and internal control review of 2023/24	Risk Management and Internal Control Review of 2023/24, previously circulated: EWY set the context that this is a new paper for A&R, and it will be an annual agenda item. SWA said the internal processes around risk management and control have significantly improved in the last twelve months. Key policies which could have legal implications have been reviewed and improved, these include GDPR and Procurement, and the updates ensure adherence to Managing Public Money. LME has worked on finance manuals and ensuring internal controls are effective. There is a continual improvement process. Risk Management was a concern following a 'limited assurance' audit score in November 2023, following an overhaul of risk, a reaudit in May 2024 achieved a 'significant assurance' score. The report summarises the Risk Registers into red, yellow and green residual risk ratings, how many risks have been archived and the number of new risks last year. There will be in-depth analysis and themes for next year's report. EWY noted that the red risks have reduced across the year and the college is getting better at documenting risks. EWY asked that audit actions are tracked and included in next year's report.	SWA SWA

	A&R committee were **happy** with the report, which will go to Corporation (14/10/24).	
9. Internal Audit	Ryan Pearce, from Scrutton Bland gave an update on the Internal Audit papers which were previously circulated. **9.1** Internal Audit Plan 2024/25 – 1. Following discussions with A&R Chair and CLT in July, the audit areas for review in this AY and the proposed four-year plan are detailed in the paper. 2. EWY noted that the internal audit plan schedule for 2025/26 will be in place for June annually from now on. 3. EWY drew committee members attention to the four-year schedule, which has prioritised the audit reports, if an issue emerges during this period, the audits can be changed. 4. A&R committee members **approved** the Internal Audit Plan 2024/25. **9.2** Course Viability Final Report – 1. A 'significant' assurance was given to this audit. 2. IAs saw strong and well embedded processes regarding curriculum planning and cycle, communications and organisation. 3. There was only one low category action raised which relates to documenting and formalising the decision-making process for course discussions which will allow for scrutiny and challenge of the decisions. 4. MBR said this is a fair comment and a formal approach that will demonstrate how decisions are made will be introduced this year. SIR said that course viability has been discussed in Q&S (16/9/24) and some subjects have improved recruitment of students this year. EWY added that course viability was also discussed at Strategy Day (17/4/24). **9.3** Payroll Final Report – 1. A 'reasonable' assurance was given to this audit. 2. IAs saw good routine processes of starters, leavers and the monthly operational cycle. 3. There was one medium recommendation around overtime requests, which included gaps in the control framework, incorrect payments made, overtime paid without documented approval, and backing evidence not held for overtime payments. 4. The other actions are low risk and are not considered significant findings, the recommendations suggest improvements to existing processes. 5. LME confirmed that most of the low-risk actions were implemented while the audit was ongoing, the medium risk highlighted that all staff were not following procedure, and the correct process has been confirmed to everyone and now overtime is only paid with evidence and authorisation.	

	EWY said it was brave to accept an action plan with an immediate due date. EWY asked if the action plan was on track to be resolved by the due dates – it is. LME said the recommendation around a better system to reduce manual processing is the only action that will take more time. 6. EWY asked about implementing a HR/Finance system – MBR said that an integrated system is being looked at by LME and JNO. EWY asked if this has been added to the IT Strategy or the IT operational plan – MBR said this sits with HR and Finance although IT will be consulted to ensure it complements GC's systems and there isn't a negative impact, and this will be included in the HR and Finance operational plans. SIR asked if this would affect staffing in these departments – it won't. SWA said that in response to EWY's question about governor oversight, the details of the new software will be reported to F&E committee who look at the procurement pipeline. 7. MBE asked if payroll is outsourced – LME said it will remain in-house. MBE asked what happens if the staff member leaves – LME can use the payroll system. MBE shared that a college he has worked with processed payroll in house and an error was identified with pension data which can be very complicated, they have subsequently moved to specialist outsourcing. He said that processing in-house is high risk. MBE suggested that a medium-term solution of looking into outsourcing for pension payments is undertaken. SIR asked if the staff member is sufficiently experienced to process payroll – LME is comfortable that she is and further training for her is currently being sourced. In response to MBE's question, if payroll was outsourced this staff member would not be at risk. MBE asked if pension payments were covered in the payroll audit – Ryan Pearce confirmed that it was not part of the audit. LME said that an audit could be directed towards this area in the future. EWY asked that LME looks at the long-term viability of continuing with payroll in-house. **9.4** Risk Management Final Report - 1. A 'significant' assurance was awarded to this audit. 2. The findings raised in a previous audit which had a limited assurance were followed up by Scrutton Bland, and the outcome was positive. 3. There is one low risk recommendation in this report which was about agreeing a primary risk owner for each risk. SWA confirmed this has been actioned.	LME LME LME LME

	4. Added value points were detailed in the report which share good practice. 5. SWA was happy with the report, the added value points will be taken forward over a period, she wants the current processes to be embedded first and then a view taken about what else can be added in. MBE said there is a big improvement in the current report and felt that the previous report was a bit unfair; he observed splitting the finance and estates roles and a new A&R Chair has improved the risk management structure. SIR said that other committees have acknowledged that splitting the roles has made a significant difference. EWY summarised that committee members are **comfortable** with the audit feedback and the discussions about the reports.	SWA
10. External Audit	The follow up action plan following Murray Smith's external audit 31/7/23, previously circulated. The three actions (purchase authorisation, credit card expenditure and policies) identified in the audit have been completed. MBE is comfortable that the actions are resolved, his company are currently auditing GC and if there are any issues with these areas they will be identified during the audit and will be reported at A&R 11/11/24. MBE has asked his audit team to thoroughly understand the approval mechanisms in colleges. MBE has seen significant improvement of policies coming to A&R and feels the A&R policy log will ensure appropriate items come to the committee. A&R committee members **noted** the completed action plan.	
11. Amended Terms of Reference	Audit & Risk Terms of Reference, previously circulated. This addresses the role of Associate Governors; the amendment will allow them to be counted for quoracy and vote in committee meetings. It makes clear that Principal and Chair cannot be members of A&R committee, but the Principal is allowed to attend as an observer. A&R committee members **approved** the amended Terms of Reference. *(CKN was present in the meeting when this was approved and therefore it was a quorate decision).*	
12. Policies to review	None on this occasion.	

13. Legal, regulatory, sector updates	EWY said this is an open item for contributors to brief the committee on any emerging audit and risk issues. Mike Benson gave the following updates: 1. MBE attended a National Audit Forum in June; the next meeting is in September. 2. GC is now adhering to the College Financial Handbook issued in March following reclassification to the public sector. 3. Colleges produce a regularity self-assessment (which was covered on this agenda), ESFA and auditors said during the forum that academies and colleges should have the same themes and the same rules. When discussing the regularity self-assessment, it is likely that academies will be asked to complete a similar document, and sixth form colleges will continue to submit this document. 4. Casterbridge accounts were published in August, and Murray Smith check that the end of year accounts are produced in line with the Casterbridge examples. 5. In recent years the Local Government pension scheme has switched to assets being larger than liabilities for most colleges including GC. There has been controversy about whether the asset should be recognised. Murray Smith have been comfortable with GC recognising this asset. The ICAW Report did not confirm if the education sector should recognise the asset. GC requested an asset ceiling report from the actuaries, the report has confirmed an asset ceiling of zero, GC's asset in this respect will therefore be reduced to nil. EWY asked if this was recognised as an asset previously – it was, last year it was an asset on the balance sheet of £477,000. SIR asked if this figure relates to pay outs – no, it is not a realisable asset, it's a comparison between the value of assets in the fund against the deemed cost of paying out the pensions in the future. EWY said it is not a material problem for the college. MBE said the ESFA have cost the education sector by not deciding if the asset should be recognised. LME said that the cost for the asset ceiling report was £300. 6. SWA said that Martins Law which is a terrorism protection bill is currently going through parliament. This will affect GC; we will be in an enhanced tier because we have more than 800 people on our site. The bill is about events management and preparedness for disasters. This is built into GC's disaster management planning and MBR added that DfE will give further direction. SWA sits on the Kirklees emergency planning forum and Martins Law is a big focus.	
14. End of meeting review	EWY explained that this agenda item reviews the meeting to check if committee members, and internal and external	

	audit are comfortable with the level of assurance presented in the meeting, and if further actions are needed as the college year progresses.	
15. AoB	None	
16. Confidentiality	Disaster management.	
17. Date next mtg	Date of next meeting: Mon 11 November 5pm, at College initially jointly with Finance & Estates Committee	All: note

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 21/10/24

Approved & signed by, Ed Wynn, Chair of Audit & Risk Committee, dated 11/11/24