

THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE

MEETING OF AUDIT AND RISK COMMITTEE – 17.09.2021

CONFIRMED MINUTES

PRESENT: A Coleman-Cooke (CG), R Anderson (CG), J Autherson (EM)
and via Teams: I Wright (CG and Chair), and S Green (EM).

AUDITORS: Via Teams: P Church (RSM), D Hoose (Mazars).

OFFICERS: Z Foster (Clerk), M Coles (interim VP – Finance and Registry), M Russell (VP – Finance and Registry), S Marshall (ED – Digital and Campus Services), R Shuttleworth (Director of IT) for item 7.

Key CG - College Governor EM - External Member
ED – Executive Director VP - Vice Principal

1. Private discussion with both sets of auditors – this item was taken last on the agenda.

M Coles, S Marshall and M Russell left for this item.

The Committee and auditors held a confidential discussion including highlighting IT as a key priority going forward.

The Committee asked for a preview of the IT Strategy document for the next meeting. Action by R Shuttleworth.

2. Apologies received

L Holdsworth (CG), R Barnett (RSM), R Walker (Mazars).

3. Declarations of Interest – R Anderson declared an interest in relation to LSIPs within Item 13 (Risk Management).

4. Welcome and Introductions

M Russell (new VP of Finance and Registry), M Coles (interim VP of Finance and Registry) and R Shuttleworth (Director of IT) were all introduced and welcomed to the Committee.

5. Unconfirmed Minutes of 18.06.2021

The minutes were approved.

6. Matters Arising not on the Agenda

The Committee discussed ways of continuing to gain assurance in relation to risk management going forward. It was agreed that all members would consider areas worth devoting a deep dive to.

Related to this was the need to increase the membership of the Committee at the next judicious point. This would be relayed to the Search and Governance Committee for action.

7. IT Security Action Plan Update- S Marshall and R Shuttleworth

R Shuttleworth updated the Committee on the action plan progress including: the successful accreditation Cyber Essentials Plus; WiFi audit survey and actions and MC Click; email migration; network feed and cloud to cloud back up.

S Marshall also updated the Committee on the IT team and centralized services to College staff and students through a new help-centre in the College street.

Governors' discussion and questions included: auditing return of laptops and tracking policies and procedures; new ticketing system; the control environment; service provision; and the overarching priority of ensuring resilience and cyber security.

7.1 Digital Strategy - R Shuttleworth gave a brief presentation on the forthcoming digital strategy due for approval in December 2021 drawing attention to: plans for an extended digital campus; reduction of digital poverty; and systems changes.

Governors' discussion and questions included: what the team hoped to achieve with the strategy (resilience; availability and an extended digital campus); resolution house and data centre requirements and actions; Internet Everywhere initiative; and future assurances for the Committee on how issues were being addressed within the Strategy and associated milestones for completion.

Action by R Shuttleworth - Governors requested a benefit analysis of MC Click scheme and highlighted a need to track damage and any replacements.

8. Exception Report – M Coles

M Coles presented the report on actions/recommendations post June 2021.

She also drew attention to the two independent subcontracting controls certification pieces of work required from the ESFA which would be outlined under Item 9.

The Committee received the report.

9. Internal Audit

9.1 Internal Audit Report 2020-21

P Church detailed the background to the adequate and effective assurance opinion and drew attention to further enhancements which could be made to ensure this remains so. He detailed the audit and advisory audit outcomes for the Committee over 2020-21

The Committee considered the report fair and discussed potential effects of remote audit working.

9.2 Annual Subcontracting Controls Certification Report

P Church gave the background to this required report as detailed in the Post 16 Audit Code of Practice, before informing the Committee of the outcomes and minor recommendations.

Governors were reassured of the outcomes of the subcontracting controls certification work.

9.3 Progress Report

P Church gave an update on early progress and movement of audits as required (e.g. IT moved to autumn term and Payroll added).

Governors asked whether audits would be on site in the future and P Church confirmed that hybrid versions would continue but always in discussion with the College.

10. Financial Statements and Regulatory Auditors (Mazars) – D Hoose

10.1 Financial Statements 2020-2021 Update

D Hoose gave a verbal update on work due to start 4 October 2021 and of the approach to be taken. He drew attention to the additional assurance requirements as outlined in the Audit Code of Practice and related sampling work to be finalised with the need for fees to be adjusted accordingly.

Governors' questions included: whether audit work would be remote/hybrid (likely hybrid with around four days onsite) and assurances on completing the work in the current covid climate.

The Committee **agreed** that the signing off of additional fees could be arranged either via written resolution or via Teams should this fall outwith the meeting cycle.

11. Regularity Audit Self-Assessment Questionnaire 2020-2021 – M Coles

M Coles presented the completed questionnaire and additional ANNEX B (required due to Covid).

Governors were assured of the comprehensive and high quality nature of the questionnaire, a view supported by the External Auditors.

It was agreed to recommend that the 2020 / 2021 Regulatory Audit Questionnaire be approved by the Governing Body at its meeting of 18 October 2021.

12. Performance Indicators 2020-2021 and 2021-2022 – M Coles

M Coles presented the indicator documents for 2020-21 for both sets of auditors and detailed the process used to gain the opinions. She gave a brief summary of performance of both sets of auditors for the Committee.

The Committee discussed the balance of staff with FE experience on the external audit team and were suitably reassured.

After full discussion, the Committee agreed the recommendations below for approval by the Governing Body on 18th October 2021:

- The outcome of the 2020/ 2021 Performance Indicators for the Internal Auditor (*RSM*) to be received for information, and approved for their accuracy.
- Confirmation of the re-appointment of the Internal Auditor (*RSM*) for a period of one year commencing 1 August 2021.
- The outcome of the 2020/ 2021 Performance Indicators for the Financial Statements / Regularity Auditor (*Mazars*) to be received for information, and approved for their accuracy.
- Confirmation of the re-appointment of the Financial Statements / Regularity Auditor (*Mazars*) for a period of one year commencing 1 August 2021
- The 2021 / 2022 Performance Indicators for the Internal Auditor (*RSM*)
- The 2021 / 2022 Performance Indicators for the Financial Statements / Regularity Auditor (*Mazars*)

13. Risk Management Update – M Coles

M Coles informed the Committee that the risk registers remained unchanged since the last review by the Committee, though SLT had informally reviewed risks on a regular basis since that meeting.

Governors' discussed: the need to be assured re risk management between meetings; additional areas of possible risk such as labour market shortages and related recruitment/incentives used by the College, materials shortages; new SLT officers and relationship building/continuity with key partners and regulators, cabinet reshuffle possible

impact on FE/Education Policy, 5% cuts and lack of protection for FE; and spending review more generally.

14. Members Discussion – not taken

15. Dates of Meetings 2021-2022 were noted.

The next meeting was scheduled for Friday 3rd December 2021 at 1pm.

16. Any other Urgent Business

16.1 John Autherson

I Wright, on behalf of the Committee, thanked J Autherson for his outstanding contribution to the Committee over his many years of services as governor and latterly external member.

The meeting closed at 3.20pm