

**THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE**

**MEETING OF AUDIT AND RISK COMMITTEE – 04.03.2022**

**CONFIRMED MINUTES**

**PRESENT:** I Wright (Chair and CG), A Coleman-Cooke (CG), R Anderson (CG), S Green (EM), L Holdsworth (EM) (from 1.45pm).

**AUDITORS:** P Church (RSM), R Walker (Mazars).

**OFFICERS:** Z Foster (Clerk), M Russell (VP – Finance and Registry), S Marshall (ED – Digital and Campus Services), R Shuttleworth (Director of IT)

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

**1. Private Discussion with RSM and Audit and Risk Committee**

Z Foster, S Marshall, R Shuttleworth, M Russell and R Walker (Mazars) left for this item.

A confidential discussion took place with the internal auditor.

**2. Apologies for Absence**

R Barnett (RSM); D Hoose (Mazars).

**3. Declarations of Interest** – R Anderson declared a potential interest in relation to the Tees Valley LSIP which she was leading on.

**4. Unconfirmed Minutes of 3 December 2021**

The minutes were approved as a correct record.

I Wright thanked A Coleman-Cooke for chairing the meeting at the last minute.

**5. Matters Arising not on the Agenda**

Deep Dives - the Committee discussed this in full and resolved that future deep dives would focus firstly on IT due to the extent of current and ongoing change followed by Sustainability generally and specifically in relation to Energy.

**6. IT Security Action Plan Update**

S Marshall gave an update to the Committee on Cyber Essentials (accreditation due end of March) and Cyber Plus in April and the reasoning behind the earlier accreditations this year. She reminded the Committee that the College would be entering both within the full scope.

Governors discussed: the recent increase in cyber attacks generally and how this was affecting colleges generally and what the College was doing to mitigate against such increased attacks.

R Shuttleworth drew attention to the recent Asset Management audit (Item 8.2) and of the management actions (1 medium and 2 low). It was noted that there would be a May follow up in respect of recovered items.

Other items of interest included: an update on the damaged line; back up plans and the move away from Resolution House; vulnerability scan; server estate concerns update; and the Machine Learning Device pilot.

Governors discussed the delay to the new network line and related compensation which they encouraged R Shuttleworth to pursue further.

## **6.1 Updated Digital Strategy**

R Shuttleworth introduced the updated strategy which now included the learner journey and other changes to increase clarity.

Questions and discussion included: the need to report on slippages to the timeline; the complexities of the plan, its primary purpose (as an enabler) and likely future changes over the 5 years; the people aspect of the plan and required cultural shift; triangulation of the plan with teaching and learning, staff and student surveys and financial and capital plans.

The Committee **agreed** to continue to monitor the plan closely as implementation progressed. They acknowledged the transformational approach and detailed work of the IT team.

## **7. TTE Apprenticeship Funding Audit by ESFA**

M Russell drew attention to the covering narrative of the audit which detailed the context, history and current issues (related recommendations of which would be added to the Exception Report).

The Committee discussed whether there was any potential reputational risk (considered very low) and greater detail and background of some of the report's findings.

## **8. Internal Audit 2021/2022 – P Church from RSM presented on the following audit reports:**

**8.1 Progress Report** P Church confirmed that there had been no changes and RSM were on course to complete as planned.

**8.2 Asset Management Report** – overall '**reasonable assurance**' had been given with three management actions.

Governors had a full discussion on alternatives to debt collection for 16-18 year olds including possible future options including the purchase of cheaper devices, blocking usage and gaining parental consent.

The ongoing retrieval rate was also discussed with ongoing weekly monitoring of returns highlighted.

**8.3 The Benchmarking 2020-21 Report** was introduced which largely focused on assurance opinions and management actions.

Governors appreciated this annual information and asked questions on: context; whether the sector was improving and if more data could be included in future reports. They also discussed the value of auditing the areas of concern against ensuring 'green' audits.

**8.4 RSM's Conformance with the IIA Standards and Codes of Practice report** – P Church outlined the report which ensured that RSM continued to meet its standards with the highest rating which the Committee found reassuring.

## **9. Exception Report**

M Russell gave a brief overview of progress against actions which was accepted by the Committee.

## **10. Risk Management Update**

M Russell gave an overview of the registers and risk categorisations as a result of the recent SLT Risk Management meeting with no new risks added and also detailed the new scoring in relation to some areas.

S Marshall gave an update in relation to International and paused Ukrainian work and the new presentation in relation to health and safety.

Questions and discussion included: the need to monitor sanctions for Russia/Belarus (and other potentially linked countries) in relation to training with a named person and consideration of other related areas of supply in the future; vulnerable students and any international reliant local economy areas; effect of new requirement for Maths and English before university; curriculum risk register; health and safety register scoring trial and specifically in relation to the engineering score (confirmatory detail was provided post meeting).

The Vice Principal Finance and Registry confirmed that the College did not currently do any business with sanctioned individuals or Companies. The Committee requested that an Officer be nominated to monitor that compliance moving forward.

**11. Any other Business** – none taken.

**12. Dates of Next Meeting 2021-2022**

12.1 Friday 24 June 2022 at 1pm.

**13. Proposed Dates for 2022-2023**

The following dates were provisionally **agreed**:

- Friday 16 September 2021 at 1pm
- Friday 9 December 2022 at 1pm
- Friday 10 March 2023 at 1pm
- Friday 23 June 2023 at 1pm

**14. Contract Extension Financial Statements Auditor Update**

Both sets of auditors left the meeting.

A confidential discussion took place on the option to extend the Financial Statements Auditors' tenure. at the end of their current three year term. This included: the need for future in-college auditing activity (rather than remote) and the option to extend to a further year (2 years in total).

The Committee were in **agreement** to approve the extension of the tenure of Mazars LLP as Financial Statement Auditors for one further year in the first instance to 31 July 2023 (noting that a further year was available) and that this would go for approval to the Governing Body at its 21 March 2022 meeting.

It was also **agreed** that a further paper will be brought to the Committee at the corresponding meeting in the 2022/23 academic year to consider whether or not to take up the second-year extension option through to 31 July 2024.

**15. Members Discussion** – none taken

The meeting closed at 3.15pm