

THE FURTHER EDUCATION CORPORATION OF MIDDLESBROUGH COLLEGE

MEETING OF AUDIT AND RISK COMMITTEE – 08.03.2024

CONFIRMED MINUTES

PRESENT: I Wright (Chair and CG), R Anderson (CG), D Budd (CO), A Coleman Cooke (CO), M McClintock (CG), I Wallace (CG).

Z Lewis (CEO/Principal) for Item 6.

AUDITORS: M Gibson (RSM)

OFFICERS: Z Foster (Clerk), S Marshall (VP – Digital and Campus Services, M Russell (VP – Finance and Registry), R Shuttleworth (CTO).

Key	CG - College Governor	CO – Co-opted Governor
	CTO – Chief Technology Officer	VP - Vice Principal

1. Apologies for Absence and Welcome

D Hoose (Mazars), M King (CG).

2. Declarations of Interest – R Anderson declared any relevant interest in respect of LSIP.

3. Private Discussion with RSM and Audit and Risk Committee

Members of staff left for this item while a private discussion took place.

4. Unconfirmed Minutes of 08.12.2023 – M King to be added to attendance list, and subject to that change, the minutes were approved as a correct record.

5. Matters Arising not on the Agenda

- The Committee discussed the December meeting of the Committee and **agreed** to move this to after the Corporate Services Committee as of 2024
- Cash status to which M Russell gave the background regarding assurance and monitoring (via Corporate Service Committee predominantly) and an update on the current position. He also reminded the Committee that budget and financial planning had been audited by RSM last academic year and had come out positively.

It was **agreed** that if the Corporate Services Committee flagged a concern during their meetings, then this would come to the following Audit and Risk Committee for active consideration.

6. Risk Management Update (including risk registers)

Z Lewis gave an update on progress in relation to the two red risks (recruitment and retention of staff and qualification reforms) as a result from the recent SLT Risk Management meeting.

She then detailed the two risks which had increased and reasons why (these being Safeguarding and TTE International Business Failure) and gave detail of the seven risks which had been downgraded. She then outlined the Finance risk and complexities which the Corporate Services Committee would be considering in full at their March meeting.

Discussion included: the value of the mitigating factors; the wide range of retention measures; and agreement on the use of the proposed framework.

A detailed discussion ensued on the budget risk including: strategy and the interrelated roles of finance and curriculum with consideration of last year and this year's planning and targets; Access to HE provision considerations generally and in respect lower economic activity and productivity nationally and the local picture (including the high proportion of economically inactive), and effects and actions by the College (including bootcamps and employer led programmes rather than full time programmes; TVCA flexibilities and processes; potential impact on education of recent budget (in

light of NHS productivity issue) and of potential effects of changes in future government; FE specific positives in current climate (more government acknowledgement and support; almost 2% growth to increase student hours and impact on demographic shift); how productivity was measured in the College budget and how this might be improved (hours and class sizes); the metrics and dashboard used to manage the business and governor oversight through Corporate Services Committee and Governing Body generally and through corporate KPI updates (quality, safeguarding, finance, employers, staff turnover).

Resulting actions from the discussion for the next SLT Risk Management Group meeting included;

- Consideration of potential framework for determining risk (appended to SLT risk management minutes)
- Full review of mitigating actions within the risk registers and consideration against scoring framework above

Z Lewis then left the meeting.

7. IT Security Action Plan Update

R Shuttleworth gave a brief overview to his report noting that no major incidents had been reported since the last meeting.

R Shuttleworth also detailed the work of the Digital Transformation group in monitoring IT security (which D Lusardi sat on behalf of the Governing Body) alongside the use of the Microsoft dashboards and 24/7 alerting systems.

After discussion, the Committee **agreed** to remove IT Security as a standing item on the Audit and Risk agenda at the current time under the proviso that this may be returned to if any related risk shown on the risk registers suggested this as an appropriate course of action.

8. Exception Report

Overall good progress was outlined by M Russell and he confirmed that the most recent audit would be added for the next meeting. He detailed remaining actions in relation to GDPR and the Subcontracting Standard order which was currently with the DfE in relation to next steps.

It was observed that the few outstanding recommendations remaining on the exception report reflected well on the management team's culture and mindset in responding to Internal Audit recommendations.

9. GDPR Audit Update

M Russell gave a comprehensive update on progress on completion of the audit recommendations and of ongoing activity (including new risk assessments and a new staff post to better manage the arrangements and ongoing monitoring).

The Committee discussed subject access requests (including number, range, monitoring and information backups).

10. Internal Audits 2023-2024

10.1 Progress report – M Gibson gave detail of the four reports in progress and assurances on the delivery of the plan despite some movement of audits.

The Committee discussed audit slippage generally and **agreed** that any future movement on audit date changes should be sent to I Wright in advance for approval.

It was also **agreed** that the Taking Action to Drive Improvement paper be sent to all audit leads before their audits for information.

The Emerging Risk Radar paper was also discussed particularly in relation to the top three risks and how this affected the College in a different way. Consideration was also given to the College's governance mechanisms to avoid the 'tick box governance' identified in the report.

It was acknowledged that both documents and the benchmarking reports were of great value to the Committee particularly when considering the Internal Audit Plan.

An update on progress within sustainability was given by D Budd and S Marshall. The greater detail remained with the Corporate Services Committee and it would be considering this at its next meeting. Further updates may come back to a future meeting of this Committee if required.

10.2 Business Continuity Audit report – M Gibson confirmed the restricted scope (which had not included IT – this having received its own full audit in 2023) in which a '**substantial**' outcome had been achieved.

10.3 Global Internal Audit Standards briefing paper was shared with M Gibson confirming that RSM already conformed to all of the standards.

Consideration was given to whether the Audit and Risk Committee needed to be more involved concluding that direct access to I Wright being readily available between meetings would bridge any additional interactions needed.

10.4 Internal Audit Benchmarking report confirmed that the College rated favourably amongst its peers.

R Shuttleworth left the meeting.

11. Committee Review of the Top Risks

Discussion focussed on: potential societal tensions (e.g. Gaza) and how the College might deal with such incidents including what it was currently doing (in which it was shared that demonstration and lock down procedures had been recently tested; the open relationship with students and the Student Services Team to support individuals/groups and good community links); consideration of how the general and mayoral elections might impact on students; and the College processes in relation to freedom of speech at both FE and HE levels.

After review, it was **agreed** that the SLT risk management group should consider the risk of the general election in all its varying components in some detail and produce any required risk assessment falling out of that process.

Otherwise, the risks remained as was at the start of the meeting.

12. Any other Business

M Russell gave a further update on the fraud incident discussed at the last meeting including that the funds had been recovered and of tighter controls going forward.

Action by Z Foster to send I Wallace the Anti-Fraud policy and plan.

13. Dates of Meetings 2023-2024

13.1 Friday 21 June 2024 at 1pm

13.2 Dates 2024-2025 – it was agreed that the December meeting would come after the Corporate Services meeting date for 2024 (*later confirmed as Friday 13 December 2024*).

14. Internal and External Auditor Contracts

M Gibson (RSM) left before this item was considered.

M Russell reminded the Committee of the status of both sets of contracts which came to an end concurrently at the end of the year.

All aspects of both sets of contracts were discussed in full by the Committee.

It was **agreed** to give RSM a further year's contract for 2024-2025 and that this would be recommended for approval by the Governing Body at its March meeting.

The External Auditor contract would be returned to at the next meeting.

15. Members Discussion – members of staff left for this item.

The meeting closed at 3.50pm