

## MEETING OF THE AUDIT AND RISK COMMITTEE

### MINUTES

<b>Date</b>	<b>Wednesday 4 December 2024</b>
<b>Time</b>	17:00 to 17:45
<b>Location</b>	Via MS Teams
<b>Present (Governors):</b>	Chair: Dr Andrew Gilchrist James Herriott James Measures Rick Parish – co-opted member
<b>In attendance (officers)</b>	Christine Ricketts (Principal and CEO) Allan Tyrer (Chief Operating Officer) Melissa Drayson (Director of Governance)
<b>In attendance (auditors)</b>	Helen Cargill (TIAA) Katharine Patel (Buzzacott)
<b>Apologies for absence</b>	None
<b>Quorum (3)</b>	The meeting was quorate throughout

*This meeting preceded a joint meeting with the Finance and Resources Committee for which separate Minutes were taken.*

*Items identified as confidential on the grounds of commercial or personal sensitivity have been redacted from the published version.*

<b>Item</b>	<b>Action lead</b>
<p><b>1. Opportunity for private Committee discussion with Auditors</b></p> <p>Neither set of auditors had anything to discuss with the Committee privately. The Committee confirmed that there were no issues to raise with the auditors without management present.</p>	
<p><b>2. Preliminary items</b></p> <p><b>2.1 Apologies for Absence and welcomes</b> No apologies were received. Helen Cargill was welcomed as a stand-in for Kevin Moloney from the Internal Auditors, TIAA</p> <p><b>2.2 Declarations of interest</b> There were no new declarations of interest relating to matters on the agenda. Previously declared interests were carried forward.</p>	

### **2.3 Urgent other business notified in advance**

No urgent matters of other business had been notified in advance.

## **3. Minutes**

### **3.1 Minutes of the meetings on 25 September 2024**

The Minutes of the Audit Committee were **APPROVED** as an accurate record of the meeting and confidential sections were confirmed for redaction from the public version on the grounds of commercial confidentiality.

### **3.2 Matters Arising**

The Committee noted the completion of actions and those not yet due and requested an update on any that were still in progress.

Item 8, 25 Sept: A joint approach to auditor procurement was being planned with the other Surrey Colleges. This was likely to result in a shared specification, rather than a full procurement.

**AGREED: That the Invitation to Tender specification would be shared with the Committee outside of the meeting.**

**COO**

## **4. Internal Audit 2023-24**

*Supporting papers presented by TIAA*

### **4.1 SICA (Summary Internal Controls Assurance) progress report and learner numbers audit**

The Learner Numbers compliance review had produced similar outcomes to the previous year and an opinion of Reasonable Assurance. There were two important recommendations, relating to similar themes last year around the need to tighten protocols for obtaining staff signatures for learner course changes. This had also been picked up by the external audit.

The Committee asked management why the same issue had occurred in consecutive years. Work would be prioritised with the head of MIS to ensure that this was addressed and progress would be tracked through the auditors' follow up work.

### **4.2 Internal Audit Annual Report 2023-24**

The Internal Auditors confirmed their overall opinion of reasonable assurance and that it was difficult to give a higher opinion with the level of coverage provided during the year.

Audit work had raised fewer recommendations than the previous year, with no urgent recommendations.

In response to questions, the auditors explained that the late reports had been due to staff sickness, and that more robust processes would be put in place to ensure this did not cause future delays in meeting clients'

deadlines. TIAA would also ensure that audit work for 2024-25 was undertaken in accordance with the timescales set out in the plan.

**RESOLVED: That the Internal Audit Annual Report 2023-24 be APPROVED.**

**4. Draft Audit and Risk Committee Annual Report 2023-24**

*Supporting paper by the Director of Governance*

Members noted that the report was in draft pending the completion of the final sections relating to the financial statements and regularity audit which was being considered at the joint meeting with the Finance and Resources Committee. Other sections were considered and endorsed.

**AGREED: That a final draft report would be shared with the Committee Chair for approval on behalf of the Committee.**

**RESOLVED: That, subject to this, the Audit and Risk Committee Annual Report would be recommended to the Corporation for approval and signing by the Committee Chair.**

**5. Value for Money annual report**

*Supporting paper presented by the Chief Operating Officer*

This was the first VFM report for some time and members' feedback was sought on its contents. Attention was drawn to the following sections:

- Management of non-pay costs. The Financial Regulations review had included a reset of tendering thresholds. During the year, several large items had been retendered and all had resulted in cost reductions.
- An appendix was provided of all procurements above £30k, demonstrating that the college's processes had been followed rigorously.
- Pay costs were being well managed through the implementation of curriculum efficiency metrics. This had resulted in an increase in average group size in two years from less than 12 to 17 (increasing this further is unlikely to be beneficial for students) and lecturer utilisation was now 95%.

Governors commented that it would be helpful to have numbers to support the commentary for all areas. There was discussion about the difficulty calculating room utilisation while the building works were taking place. A report would, therefore, be brought to governors once the refurbished buildings had been reoccupied. The Committee also asked for the FE Commissioner's financial benchmarks to be included in future reports.

**AGREED: that the VFM report provided the Committee with adequate assurance that appropriate actions were being taken.**

**6. Risk Management**

*Supporting papers by the Chief Operating Officer*

**6.1 Risk Management Strategy 2024-25**

It was noted that only minor updates had been made to the RM Strategy.

## **6.2 Risk register**

The following updates to the risk register were noted:

- The key had been changed so risks scoring 15 were now classified as 'red'.
- Net (of mitigations) scores for both finance risks had reduced. The pay budget was being well managed, particularly agency costs which were significantly lower than at the same point the previous year. '
- Capital expenditure was currently within budget for all aspects.

There were currently no 'red' risks following mitigation.

The internal auditors endorsed the approach to risk management, and commented that they would always challenge where risk appetite and residual score were misaligned. The Committee supported the inclusion of risk appetite definitions at the foot of the register in future.

### **RESOLVED:**

- that it be recommended to the Corporation that the Risk Management Strategy be APPROVED.**
- that the risk register be recommended to the Corporation as a fair reflection of current strategic risk.**

## **7. Termly Report on any reportable Fraud, Whistleblowing, Data or Cyber Security and FOIA events** *Supporting paper presented by the Chief Operating Officer*

The Committee noted that there had been no cases of suspected fraud or whistleblowing disclosures, data breaches or cyber incidents. Four FOIA requests had been received, all of which were commercial in nature.

## **8. Committee effectiveness review** *Supporting papers by the Director of Governance*

The Committee concurred with the review against the Terms of Reference that confirmed that it had complied with them in full during the year. It was agreed that a standing item on feedback from the other committees would be a useful addition in terms of identifying emerging risk.

The Director of Governance asked if a governor questionnaire would be a helpful addition to elicit feedback from members on the effectiveness of this Committee. The Committee confirmed that it was happy with the current approach of a discussion item with prompt questions.

## **9. Date of Future Meetings** 26 February 2025 7 June 2025

**Approved as an accurate record on 26 February 2025**