

Preston College
Redacted and Abridged ¹Minutes of the Audit Committee Meeting held on 9th March 2022 at
5.30pm
In the Boardroom

Present:

Mr Marcel Driver	Chair
Mr Steve Browne	
Mr Dipesh Patel	

Apologies:

Miss F Patel

In attendance:

Mrs Louise Doswell	Principal and Chief Executive	(From Minute 5)
Mr Simon Nixon	Executive Director – Resources	(From Minute 5)
Mr Steven Pringle	Senior Internal Audit Manager, Wylie and Bissett	(From Minute 5 until Minute 9)
Mrs Clare Rayner	Clerk to the Board	

1. Welcome and apologies

The Chair welcomed everyone to the meeting.
It was noted that apologies had been received from Miss Patel.
It was noted that a quorum was present.

2. Declarations of Interest

No declarations of interest were noted.

3. Audit Committee Closed Session

d The Audit Committee held a Closed Session.

4. Minutes of the Meeting

The Committee agreed the minutes of the meeting on 24th November 2021 (Part 1 and 2) and 7th December 2021 as correct records.

Resolved: the minutes of the meeting of on 24th November 2021 (Part 1 and 2) and 7th December 2021 were signed as correct records.

The Principal and Chief Executive, Mr Simon Nixon, Executive Director – Resources, and Mr Steven Pringle, Senior Internal Audit Manager, joined the meeting.

¹ Please note that any matters which the Corporation is satisfied should be dealt with on a confidential basis have been removed from these minutes.

5. Matters arising

The Clerk referred to Minute 3 (c) of the Minutes of 7th December 2021 and clarified that the Chair and Vice Chair of the Audit Committee could not be a member of any of the Board's committees. However, there might be circumstances where they could observe committee meetings.

A member requested that, as governors had overall accountability, they should have access to all committee reports on the Governors' Portal. The Clerk explained that it was standard practice for committees to only be able to access the reports for committees they were members of and explained the reasons for this, including that the membership of some committees was restricted for governance reasons such as there should be a degree of separation between the Chair of the Governing Body and the Audit Committee. The Clerk explained that independent governors received the minutes of all other committees and, if requested, she would provide reports from other committees, which would be redacted where necessary and that she also shared key committee reports with all governors via the Governors' Portal and Board meeting packs.

In response to a query on what information is shared with the public, the Clerk and Mr Nixon explained that redacted minutes were available on the website and Board and Committee reports would be shared with members of the public following a Freedom of Information request. However the reports would be redacted as required in line with the Instrument and Articles, the Data Protection Act and commercial sensitivities.

Following discussion with the Clerk, management and the internal auditors, and members' view that it was important that governors had full transparency and oversight, it was agreed that it would be appropriate for all members to have access to the Quality and Standards Committee papers on the Governors' Portal.

Resolved: The Committee noted the report on progress on actions from previous meetings.

Action: The Clerk undertook to ensure all governors had access to the Quality and Standards Committee reports on the Governors' Portal.

6. Internal Audit Review Reports

a) Budgeting and Forecasting

Mr Pringle presented Wylie and Bisset's report on the Budgeting and Forecasting Internal Audit.

The Committee noted that the overall conclusion was that a strong level of assurance could be given and four low grade recommendations had been made including:

- regular review of the Financial Handbook;
- re-introducing a budget setting business planning cycle timetable. It was noted that a curriculum planning cycle timetable was produced for 2021/22;
- minuting of Executive Leadership Team (ELT) meetings in relation to budgets;
- revising the monthly task list to show the date and activity that took place;

The Committee also noted that 19 areas of good practice highlighted in the report.

Mr Nixon confirmed that the Financial Handbook would be updated by the end of July 2022 and the College would re-introduce a budget setting and business planning cycle timetable.

In response to a query, Mr Nixon provided reassurance that College management had a good understanding of the College's budgeting process and were not reliant on the College's finance team.

b) Corporate Governance

Mr Pringle presented Wylie and Bisset's report on the Corporate Governance Audit. The Committee noted:

- that the overall conclusion was that a strong level of assurance could be given and two low grade recommendations had been made: the introduction of a formal Governor Selection and Recruitment Policy and that all Board members reviewed and sign the Code of Conduct document on an annual basis rather than on appointment only;
- the feedback from governors which had formed part of the audit;
- that 18 areas of good practice had been highlighted in the report.

The Committee noted that members would be asked to sign the Code of Conduct annually alongside the annual Register of Interest and Transactions with Related Parties requests each summer.

The Committee discussed the report and the governor responses to the questionnaire, which members agreed were helpful.

The Committee and management agreed that highlighting areas of good practice in both reports, alongside management actions, was welcomed as it provided assurance to management, the Committee and staff and added further value to the internal audit.

The Committee commended management and staff on the outcomes of both audits. The Principal and Chief Executive and the Executive Director of Resources recorded thanks to the Clerk and management for their work and support for the internal audit process.

A member requested that the Search and Governance Committee's approach to improving the diversity of the Board should be included in the Governor Selection and Recruitment Policy. The Clerk undertook to ensure this was built into the draft. She outlined current processes in place to ensure vacancies were promoted as widely as possible.

Resolved: The Committee noted the reports for information and endorsed the Action Plans.

Action: To include the Search and Governance Committee’s approach to improving the diversity of the Board in the Governor Selection and Recruitment Policy.

7. Review of Risk Management Policy

Mr Nixon, Executive Director of Resources, presented his report on the proposed changes to the Risk Management Policy, at Appendix A. Mr Nixon explained that the only changes made were to tidy up some naming conventions, specifically to reflect that the College Management Team (CMT) was now known as the Senior Leadership Team (SLT).

The Committee discussed the revised Risk Management Policy and agreed:

- further information should be included on what constituted a risk;
- further clarification of the Role of the Board in relation to risk was required.

Subject to these amendments, the Committee noted and approved the proposed changes to the Risk Management Policy for recommendation to Board.

Resolved: The Committee approved the proposed changes to the Risk Management Policy for recommendation to Board, subject to the addition of further information on what constituted a risk and clarification of the role of the Board.

8. Risk Management Register

Mr Nixon presented this report on the Risk Management Register. He reported that:

- the latest version of the College’s Risk Register was at Appendix A;
- risks related to cyber attacks and protections in place;
- increased risk of phishing attacks and ongoing staff training including a recent Staff Development Day and internal staff testing with plans for external staff testing going forward;
- the College had developed its own response the Government’s Living with Covid plan which was outlined in his report and referred members to the updated College risk assessment at Appendix B for information. He confirmed that the College had adequate lateral flow test supplies to last until the end of July. He reported that the College continued to take a cautious approach and, whilst there was no longer a legal requirement to isolate, staff and learners were asked to self isolate for five days after a positive test. The Committee noted that the national statistics on infection rates were not published as regularly due to coverage of the war in Ukraine.

Members agreed that the risks relating to Covid should remain on the risk register, despite the reduced risk.

Mr Nixon responded to questions on the College’s systems to protect against cyber attacks.

In response to question on the College’s gas supply, Mr Nixon outlined the College’s current gas supply arrangements. It was noted that management would continue to maintain a watching brief and emphasise this in the risk register.

The Committee discussed the Risk Management Register, dated March 2022, and agreed the current risks, actions completed and further actions still to be completed.

The Clerk undertook to update the date on the risk of not recruiting governors. It was noted that there was now one independent governor vacancy.

Resolved: The Committee agreed the current risks, actions completed and further actions still to be Completed.

Action: The Clerk to update the date on the risk of not recruiting governors.

Mr Nixon to add specific reference to the College's energy supply in the register.

9. Audit Register

Mr Nixon presented his report on the Audit Register, at Appendix A. Mr Nixon reported;

- the Subcontracting Management Policy had been updated to include details on subcontractor costs as per requirements 85.2 and 85.3 of the subcontracting requirements and this process was being followed;
- processes were being tightened up to ensure that all historical issues in the register were addressed;
- to date 89% of staff had completed General Data Protection Regulation awareness training and time had been made available for staff to complete their training as part of the staff Development Day, which had been held earlier. It was noted that the 11% of staff which had not completed their training to date included staff on long term sick and new starters.

Members discussed that, given the need to induct new staff on an ongoing basis, 89% completion of General Data Protection Regulation training was considered a good result. The Principal and Chief Executive also commended management and staff for this result and referred to ongoing efforts to ensure all staff completed the training.

The Committee noted the Audit Register report.

Resolved: The Committee noted the Audit Register report.

Mr Pringle left the meeting.

10. Date of Next Meeting

The Committee noted that the next meeting would take place on 15th June 2022.

The meeting closed on 7pm