

Preston College
Redacted and Abridged¹ Minutes of the Audit and Risk Committee Meeting
held on 19 June 2024 at 5.30pm In the Boardroom

Present:

Mr Marcel Driver	Chair
Mr Steve Browne	
Mrs Isara Cotton	
Mrs Sally Little	

Absent:

Mr Malcolm Goulding

In attendance:

Ms Sue Hutchinson	Partner, Beever and Struthers (Until Minute 5)
Mr Simon Nixon	Principal and Chief Executive
Ms Sana Mumtaz	Audit Manager, Beever and Struthers (Until Minute 5)
Mr Stephen Pringle	Senior Internal Audit Manager Wbg Services (Until Minute 10)
Mrs Clare Rayner	Clerk to the Board
Mr Iain Stott	Vice Principal – Resources

1. Welcome and Apologies

The Chair welcomed everyone to the meeting.

The Chair welcomed Ms Sue Hutchinson and Ms Sana Mumtaz from Beever and Struthers and Mr Stephen Pringle from Wbg Services.

It was noted that a quorum was present.

It was noted that the Closed Session would be held at the end of the meeting.

2. Declarations of Interest

No declarations of interest were made.

3. Minutes of the Previous Meeting

The Minutes of the Meeting on 6 March 2024 were agreed as a correct record.

Resolved: the minutes of the meeting held on 6 March 2024 were agreed and signed as a correct record.

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.

4. Matters arising

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

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

5. External Audit Planning Memorandum and Strategy

Ms Hutchinson and Ms Sana Mumtaz presented the External Audit Planning Memorandum and Strategy. Ms Hutchinson reported:

- that she would be the College's new engagement lead and provided an overview of her background;
- scope of audit including key issues;
- materiality plan and levels.

Ms Mumtaz outlined the key audit risks which would be reviewed which included regularity, fraud and going concern which were unchanged from 2023.

The Committee and management discussed with Ms Hutchinson and Ms Mumtaz how pension might be addressed in the audit.

The Chair thanked Ms Hutchinson and Ms Mumtaz and wished them well. They both thanked the Chair and wished him well.

The Committee approved the External Audit Planning Memorandum and Strategy for recommendation to the Board.

Resolved: The Committee approved the External Audit Planning Memorandum and Strategy for recommendation to the Board.

6. Internal Audit Reports

a) Health and Safety Internal Audit Report

Mr Pringle presented the Health and Safety Review Internal Audit report at Appendix A. Mr Pringle outlined the scope of the audit and reported:

- that the overall conclusion was a 'substantial' level of assurance could be given;
- that one medium and two low grade recommendations had been made:
 - o a medium recommendation on the procedure for risk assessments and spot checks and a recommendation to introduce a central log/register;
 - o low recommendations in relation to documentation and risk assessments for safety performance for contractors and to introduce a

Driving at Work Policy;

- two other observations which included recommendations for action;
- on six areas of good practice which had been identified;
- on benchmarking against other colleges.

The Committee discussed the internal audit report with Mr Pringle and management. In response to comments and queries, the Committee noted:

- that the College did not have any fleet cars for staff use and staff used their own cars, or public transport, for business travel. Following a suggestion, management confirmed that as part of the new Driving at Work Policy they would include a procedure to ask staff to provide evidence that their car insurance included cover for business travel;
- that with regard to the recommendation of the central log/register, the College currently had a list of risk assessments completed. However, a combined list/register of outstanding risk assessments and risks to be completed had not been provided and this could lead to unknown risks. Management confirmed that the College's new Health and Safety Officer was developing a new register/list which included risk assessments completed and risk assessments due. Following discussion, members were of the view that a list was required more urgently than March 2025 to enable management to identify gaps, prioritise and take action as appropriate. Following discussion, management agreed to ensure that a register would be operational by the next meeting of the Committee (November 2024).

The Committee noted the Health and Safety Internal Audit Report.

b) GDPR Internal Audit Report

Mr Pringle presented the General Data Protection Regulation Internal Audit report at Appendix B. Mr Pringle outlined the scope of the audit and reported:

- that the overall conclusion was that a 'strong' level of assurance could be given;
- that two low grade recommendations had been made: to update the College's staff privacy notice and to introduce a Register of Processing Activities;
- on eight areas of good practice which had been identified;
- on benchmarking against other colleges.

The Committee discussed the internal audit report with Mr Pringle and management. In response to comments and queries, the Committee noted that the Staff Privacy Notice would be issued this year and would then be reviewed every three years with a rolling programme introduced for new and existing staff. It was noted that the student privacy notice was reviewed annually.

c) Safeguarding Internal Audit Report

Mr Pringle presented the Safeguarding Internal Audit report at Appendix C. Mr Pringle outlined the scope of the audit and reported:

- that the overall conclusion was that a 'strong' level of assurance could be given;
- that no recommendations had been made;
- on 29 areas of good practice which had been identified;
- on benchmarking against other colleges.

Management and the Committee agreed that this was a commendable outcome for which the Safeguarding team and the College should be rightly proud and that the internal audit validated the important safeguarding work undertaken by staff at the College.

The Committee agreed that the Committee's congratulations should be sent to all management involved in the internal audits reviewed at the meeting, which overall highlighted a small number of recommendations and high numbers of examples of good practice. Members commented in particular that the Safeguarding team should be commended as the internal audit highlighted exceptional performance, with no recommendations and 29 areas of good practice identified.

Resolved: The Committee noted the Internal Audit Reports.

Action: The Committee's feedback to be forwarded to management.

7. Risk Management Register

Mr Stott presented the Risk Register report. He reported:

- that in response to a recommendation in Stone King's External Governance Review report, the risk register now included references to the College's strategic plan;
- that management proposed to include a new risk on attacks on learners or staff by learners. He explained that this was in light of incidents at a number of colleges rather than specific risk at Preston College. It was noted that this risk had been included on the Prevent risk register for some time;
- risks were increasing, including cyber-attacks and decreasing risks such as achieving learner numbers;
- risks related to forthcoming governor retirements.

During discussion, the Clerk highlighted that;

- Mrs Lynda Mason would remain on the Board until December 2024 to assist with succession planning;
- the Search and Governance Committee would interview three candidates for the independent governor vacancies on 11 July 2024;
- the Board had held a Succession Planning meeting for the role of Chair of the Governing Body and a recommendation would go to the Board on 4 July 2024.

Members discussed the Risk Register report with management. Following comments and queries the Committee noted:

- that the College would continue to introduce metal detectors periodically;
- that the College currently had c.10 rolling vacancies which was a significant improvement on 2022/23. It was noted that the staff pay award and the flexibility on pay scales agreed by the Board in 2023 had been helpful.

Members discussed with management, Mr Pringle and the Clerk the format of the Risk Register and how the alignment of the risk register and the strategic plan could benefit the Committee's governance oversight and management's approach to the risks. The discussion included reference to:

- management's view that the current format, which had been developed following an internal audit, included all the components of a 'best practice' risk register;
- Mr Pringle's view that the current risk register format was best practice, including both inherent and residual risk. To aid members, he suggested reducing the commentary text;
- comments from newer members that they found the commentary helpful, however, they agreed that some responses could be abridged;
- that it would be helpful to consider the alignment of the risk register and strategic plan by developing a report on the College strategy which included the risks and then the College would be able to RAG rate the strategic objectives in relation to risk;
- that it would be expected that a corporate risk register would include principal risks such as serious incidents and reputational issues, which were unlikely to feature on the strategic plan;
- whether it would be beneficial to print larger hard copies of the risk register to aid members' review;

The Committee noted the Risk Register and agreed to recommend to the Board the new risk of attacks by learners.

Resolved: The Committee noted the Risk Management Register and agreed the current risks, actions completed and further actions still to be completed and agreed to recommend to the Board the addition of a new risk on attacks on learners or staff by learners.

Actions:

-To develop a report on the College strategy which included the risks and then the College would be able to RAG rate the strategic objectives;

-To review and abridge the commentary in the Risk Register.

8. Audit Register

Mr Stott presented the Audit Register report. In response to a query, management confirmed that the Business Continuity Planning report was in train, However, other tasks had been prioritised. A member suggested that in the interim a flow chart might be helpful.

Resolved: The Committee noted the Audit Register.

9. Post 16 Audit Code of Practice Update

Mr Stott presented the Post 16 Audit Code of Practice Update which outlined the changes since the last Code and referred members to the new Post 16 Audit Code of Practice at Appendix A.

In response to a query, it was noted that no changes were proposed as a result of the Post 16 Audit Code of Practice. However, changes had been made to the Committee's terms of reference in 2023 as a result of updated Education and Skill Funding Agency (ESFA) guidance: *'The scope of work of audit committees and internal auditors in college corporations'* which was last updated in January 2023 and referenced in the Code.

The Committee noted the Department for Education (DfE) College Financial Handbook (CFH) had been published and would be effective from 1 August 2024. It was noted that the draft Internal Audit Plan 2024/25 included an internal audit of the College's compliance with the CFH in February 2025.

Resolved: The Committee reviewed and noted the updated Post-16 Audit Code of Practice.

10. Draft Internal Audit Plan 2024/25

Mr Stephen Pringle reported that Wylie and Bisset had rebranded as Wbg Services following the acquisition of a number of small accountancy firms.

Mr Pringle presented the Draft Internal Audit Plan 2024/25. The Committee discussed the plan with Mr Pringle and management and approved the plan for recommendation to the Board.

The Committee agreed that the format and content of the internal audit reports was very helpful.

Resolved: The Committee approved the draft plan for 2024/25 for recommendation to the Board.

The Chair thanked Mr Pringle and wished him well. Mr Pringle thanked the Chair and wished him well.

Mr Pringle left the meeting.

11. External Governance Review 2023/24

Mrs Clare Rayner, Clerk to the Board, presented her report on the External Governance Review 2023/24. She reported:

- that Stone King's External Governance Review report was at Appendix A;
- that an External Governance Review Action Plan would need to be developed and that the Search and Governance Committee would make recommendations to the Board on the implementation of Stone King's recommendations, supplementary suggestions and propose timescales at its meeting on 4 July 2024;
- that the consultants from Stone King had observed the Audit and Risk Committee on 6 March 2024 and referred members to the feedback included in her report;
 - the process for the removal of items from the audit register was unclear, which would reviewed for 2024/25;
 - the Audit and Risk Committee might have expected an action plan to be included on the agenda to address identified weaknesses from the audit;
 - each agenda item could have been concluded by a resolution expressing the view of the Audit and Risk Committee. Where an item is for noting, this could be developed, for example, as 'governors resolved to note the positive outcome of the report'
 - to link the Risk Register with strategic plan for greater clarity. E.g. rephrasing certain risks or adding a column to connect to deliverables."

The Principal and Chief Executive confirmed that an action plan was now in place to address the issues highlighted by the funding review audit.

The Committee noted the External Governance Review report and considered the recommendations and supplementary suggestions related to the Audit and Risk Committee. Members discussed the feedback from Stone King with management and agreed that the suggestion regarding the conclusion in minutes was a style preference and as the minutes reflected the Committee's discussion, including concerns or dissatisfaction, it was unnecessary to amend resolutions as suggested.

Resolved: The Committee noted the External Governance Review report include the recommendations and supplementary suggestions related to the Audit and Risk Committee.

12. Forward Work Programme

The Clerk presented her draft Forward Work Programme report.

The Committee approved the draft Audit and Risk Committee Forward Work Programme 2024/25 and noted that the Committee might need to make changes to the plan once the External Governance Review Action Plan has been agreed.

The Clerk reported that whilst other committees might decide not to hold a committee evaluation for 2023/24 as the external review had taken place, the Audit and Risk Committee would need to hold an evaluation as this was a Post 16 Audit Code of Practice requirement.

It was noted that one Board Deep Dive would be held per term had been scheduled on the draft Board governance calendar which would be reviewed by the Board on 4 July 2024.

Resolved: The Committee reviewed and approved the draft Audit and Risk Committee Forward Work Programme 2024/25 and noted that the Committee might need to make changes to the plan once the External Governance Review Action Plan has been agreed.

13. Any other Business

As it was his last meeting, the Chair recorded his thanks to the Committee, management and the Clerk for their support during his tenure as Chair of the Audit and Risk Committee. He thanked Mr Browne for his contribution to the Committee and thanked the new members for their contribution. The Clerk thanked the Chair for his support.

Members recorded thanks to the Chair for his strong chairmanship of the Committee and wished him well. Mr Browne commended the Chair for his ability to encourage the Committee to review the College's functions, systems and processes effectively.

The Principal and Chief Executive agreed with comments about the importance of the Committee and thanked the Chair on behalf of the College for his strong chairmanship of the Committee also and his support to him during his different roles at the College. He reported that a dinner would be arranged in the autumn as a number of governors would retire in 2024.

14. Date of Next Meeting

The Committee noted that the next meeting would be confirmed at the next Board meeting on Thursday 4 July 2024.