

AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the hybrid meeting held on 4 October 2021 at 4.00pm

Present virtually: A Maltpress
J Wakelam, Vice Chair
M Whittingham

R Inman, Chair
R Murray

In attendance: F Shippam, M+A Partners
J Raffel, CFO
N Savvas, CEO
R Bamford, Group Vice Principal MI and Data
S Gales, Governance Professional
S Graham, Group HR Director

Apologies: A Lynch, M+A Partners
C Bundy, SAT Finance Manager
G Kirham, Larking Gowen
S Holbrook, Larking Gowen

1 Appointment of Chair and Vice Chair

The Committee recognised Roger Inman as the Chair and Julia Wakelam as the Vice Chair of the Audit and Risk Management Committee for 2021/22, as appointed by the Trust Board at their meeting on 8 July 2021

2 Declaration of Interests and Apologies for absence

JWakelam declared her role as a Governor of West Suffolk College and Rinman declared his role as a partner of Stone King LLP which advises West Suffolk College. No other conflicts of interest in relation to the items of the agenda were declared.

Apologies were accepted from ALynch, CBundy, GKirham and SHolbrook.

3 Minutes of the meeting held on 21 June 2021

The minutes of the meeting held on 21 June 2021 were **agreed** as an accurate record. Rinman noted a discrepancy on a totalling figure on page 1, JRaffel to confirm the correct figure and SGales to amend as appropriate.

4 Matters Arising from meeting on 21 June 2021

The matters arising from the meeting were summarised in the report and all actions reported had either been completed or, where appropriate an update had been provided on progress elsewhere on the agenda.

MA3 The DPO to undertake a repeat audit of the college's GDPR compliance to provide assurance of the appropriateness and effectiveness of the college's arrangements.

5 Committee Terms of Reference and Committee Skillset

Trustees received and considered the draft Terms of Reference and Committee Skillset provided. Trustees considered the Committee Skillset and queried how the Trust devises its strategic aims and objectives. NSavvas confirmed that each year the Members, Trustees, Committee members and the Executive unite to discuss and set the strategy. In the last 18 months, whilst the pandemic restricted a physical strategic conference, we established a small working group (ECG Research and Strategy Advisory Group) to create strategy with our sponsor; we organised a series of monthly Briefing Strategy Seminars to help consider strategy in readiness for the next strategic conference; and we extended our pre-existing strategic aims and objectives.

Trustees **approved** the Terms of Reference and Committee Skillset.

6 Risk Management Update

There are currently **2 red**, **10 amber**, **3 yellow** and **5 green** risks on the register. No new risks have been added and no risks have been removed.

Action

JRaffel
SGales

Trustees discussed R028 'failure to obtain ESFA approval for RPTs with WSC leads to operational and financial pressure' and queried why this is still a red risk. JRaffel informed that the ESFA have declined approval for the RPTs and have rejected our appeal, so this remains a significant risk. NSavvas added that as the CEO and CFO are now employed by both the Trust and the College, rather than via an SLA, so this has resolved one RPT. NSavvas continues to work with the ESFA and our lawyers to find a way forward. Rinman noted there might be an audit issue, JRaffel to discuss with Larking Gowen.

JRaffel

Trustees discussed R016 'failure to recruit student numbers leads to operational limitations' and queried why this is still on the register given that ASFC is now established. NSavvas agreed that the ASFC risk is lessening however there is a risk for OSFC as it is now reaching its maximum capacity, so in order to continue to grow to meet local demand then requires additional capacity to be created / poses a risk if it cannot be readily created.

Trustees discussed R001 'changes in priorities for government funding leads to reduced ESFA income for academies' and queried whether this is a specific risk for the Trust. NSavvas clarified that if BTECs are defunded this would impact the curriculum and income strands of the Trust, so remains a risk.

Trustees discussed R025 'ASFC Health and Safety initial report and recommended actions indicated that not sufficiently implemented to ensure that risk assessments have been completed' and queried whether this risk could be removed. JRaffel to remove.

JRaffel

Trustees discussed R020 'Not being GDPR compliant' and queried whether this risk was specific enough to be a meaningful metric to monitor. SGraham clarified the two key elements within this metric: 'retention of information' and 'appropriate training and development' which the Trust needs to be mindful of.

Trustees asked the Executive to review the register further to ensure it is a live document and reflects the most critical risks affecting the Trust.

JRaffel

7 **Internal Audit Tracking Report**

Trustees received and considered the report provided and noted that there are 2 recommendations still in progress: 1 to develop the Trust's business continuity plan, 1 to source appropriate training for the Audit and Risk Management Committee.

8 **Internal Audit Strategy and 2021/22 Annual Plan**

Trustees received and considered the Internal Audit Strategy and 2021/22 Annual Plan from M+A Partners. M+A Partners proposed that Key Financial Controls, Risk, and Governance / Monitoring / Compliance are considered annually, with audits over the next 3 years as follows:

- 2021/22: Payroll, Risk Register (mitigating controls), Audit Committee oversight and governance
- 2022/23: Month end procedures and control account reconciliations, Risk identification and reporting, Planning maintenance cycle
- 2023/34: Procurement, Risk Management, Budgets and management reporting

Trustees discussed if the Trust should undertake internal audits beyond the scope of financial, governance and risk. FShippam advised that internal scrutiny work within MATs is still quite focussed on financial, governance and risk; however, as MATs grow and are able to fund more internal scrutiny work they will likely expand into other areas such as strategy, safeguarding, etc. Trustees recognised the purpose of internal audits is to provide assurance to the Trust Board as to the effectiveness of the Executives control mechanisms with regard to the risks facing the Trust.

Trustees **approved** the annual and 3-year cycle.

9 **Internal Auditor's Findings Report**

FShippam advised that the internal audit of Key Financial Controls is underway and will be reported at the next meeting.

10 **GDPR Update**

Trustees received and considered the report provided. Trustees noted a typo within the report – the years of the data breaches – and questioned whether Trustees should be concerned about the number of data breaches in the past term. SGraham advised that the number of data breaches is an indication that staff are proactively reporting breaches, in accordance with our policy, so is a good sign of awareness of the policy and importance of GDPR. SGraham informed Trustees of how staff are supported and trained to ensure lessons are learnt from the breaches and mitigation measures and systems are reinforced as appropriate.

SGraham informed Trustees of a low risk *potential* data breach affecting our legacy student data information system (Moodle) and of the actions the Trust has taken to remedy the incident.

Trustees queried whether the Trust needs to undertake similar checks of our other information systems. SGraham confirmed that this is part of the planned works and RBamford confirmed that robust GDPR procedures are central to the Trust's approach to information systems procurement tendering.

11 **Any Other Business**

- **Linking the risk register to the Trust's strategic objectives**

Trustees discussed that it might be enriching to link the risk register to the Trust's strategic objectives and to consider how the Trust is making progress against its strategic objectives (outcomes). Trustees agreed to consider this as an area for development in the spring term, after the Trust has agreed its new strategic objectives.

Trustees also discussed whether to reorder and/or group the risk register by type, rather than severity of risk. JRaffel to consider how this could be created and bring a draft to the next meeting.

The meeting closed at 5.24pm

JRaffel