



MINUTES OF A MEETING OF THE AUDIT AND RISK COMMITTEE HELD ON WEDNESDAY 13 MARCH 2019

Present

Antony Ball	Governor
Greg Clarke	Governor
Paul Grinell	Governor
Mathew Lynds	Governor
Harold Osborne	Governor
Paul Senior	Governor

The quorum for the meeting was three Members.

In attendance

Peter Doherty	Chief Operating Officer
Chris Williams	RSM
Debbie Watson	Grant Thornton
Monika Liskiewicz	Grant Thornton
Helen Ainsbury	Interim Director of Digital Technologies (Items 1-3)
Claire Houlden	Executive/Governance PA (Minutes)

The meeting was held in the Boardroom at the Hub, Doncaster and commenced at 5.30 pm.

Paul Grinell stated that as the Clerk to the Corporation was not available for the meeting, it was proposed Claire Houlden be appointed to Clerk temporarily for the period of the meeting. This was agreed.

Item	Minute	Action
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1 Apologies

Apologies for absence had been received from Madeleine Keyworth and Jo Garrison.

2 Declarations of Interest

Members should declare any personal or financial obligation, allegiance or loyalty which would in any way affect decisions in relation to the subjects under discussion.

3 Digital Technologies

Pro Suite Implementation

H Ainsbury provided a summary of the Pro Suite implementation issues and the methods used to rectify them. The biggest issue was identifying the appropriate process for doing tasks. A Decision Group was formed of all senior decision makers through which all issues were channelled. The Group now meets less frequently and was planning ahead for enrolment and new academic year. There were still problems with the reporting system as a backlog of reports had built up which was being reduced.

Pro Suite contained several packages some of which were yet to be implemented. Benefits of the system were being felt across College.

[P Senior arrived]

In response to questions from Governors the following points were discussed:

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- The IT system at Doncaster had improved. A new joint email system would be introduced which is critical at Doncaster due to the age of the server.
- Management Information System is a generic term; Pro Monitor is a brand name.
- The migration of information to Pro Suite went well; the issues were created by processes of putting new information on the system.
- Outstanding tasks were being completed and plans made for the next twelve months; governors would be provided with a timeline of actions.

[A Ball arrived]

- Resources had been diverted by having to deal with Pro Solution however it had not had a huge impact on digital resources.
- Training was being completed in a targeted way by a Pro Solution expert currently employed by DNCG.
- The Chair said it was reassuring to learn of the progress being made.

Internal Audit Report

C Williams explained the RSM Technical Team undertook the audit to review progress against an independent review undertaken in 2017. They will return during the next academic year to review progress. There was concern that few of the actions from the 2017 review had been delivered with one of the primary concerns being security vulnerabilities across the group.

H Ainsbury confirmed there was no plan in place at the time but a digital strategy was currently being developed. The key focus had been staffing and a new structure across both sites had been put in place giving increased capacity. A long-term security strategy would be developed. Staffing levels were correct for current needs and would probably reduce when all systems had been standardised. A business case would be prepared for standardisation of desktops to be part of the capital programme bid in May.

The Committee accepted the assurance provided.

[H Ainsbury left the meeting].

4 Minutes of a meeting of the Joint Audit & Risk and Finance & Resources Committees held on 26 November 2018 and any matters arising

The minutes were agreed as a true and correct record and signed by the Chair.

Matters Arising:

Item 3i – the English and Maths achievement rates in the annual report had been updated.

Item 3iii – a Deed of Covenant was being developed to reflect the RSM recommendations in the 2017/18 audit findings report regarding gift aid distribution. The staff costs of subsidiaries were to be recharged to DN Colleges Group. This would be reported on further at the next meeting.

COO

Item 6 – the incorrect date in the Audit & Risk Annual Report had been corrected before submission to Board and ESFA.

5 Post 16 Audit Code of Practice

P Doherty highlighted the changes made in the annual review of the Post 16 Audit Code of Practice.

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	C Williams confirmed the Code was incorporated in RSM's work.	
	D Watson advised that a new accounts direction was due to be published, including relating to remuneration for Senior Post Holders and would be included in Grant Thornton's report to the June Committee meeting.	
6	Internal Audit Reports	
	i. GDPR Governance	
	C Williams reported that the report identified 10 key areas of action the main one being the data audit. Several of the implementation dates had passed or were imminent. Actions against recommendations would be reviewed as part of the follow up.	
	P Doherty outlined the steps being undertaken to address the issues including training for staff. It was agreed that J Garrison, as Data Protection Officer, would be asked to provide an update on progress to the next Committee meeting.	Clerk
	ii. Risk Management	
	C Williams stated that a group-wide framework for risk management was being developed. Standard risk registers and scoring mechanisms were now being used. There were several areas for recommendation including policy and procedure, and risk appetite. All actions were agreed, some with deadlines between March and May. The partial assurance score was due to the situation when the review took place and ways of working had yet to be brought together.	
	iii. Continuous Assurance	
	A small suite of fundamental controls had been identified and three separate visits would be held to provide on-going assurance. Actions were low or medium priority.	
	Members queried the length of RSM's internal audit reports generally and C Williams indicated this may be reviewed.	
7	Internal Audit Progress Report	
	The report provided a summary of progress against the audit plan. Planning meetings had been held for forthcoming audits. The proposed review of project management had been deferred and a review of funding entitlements would take place instead.	
	The follow-up element of the audit programme had been considered and RSM requested an increase in budget to allow 2 days' work to look into the outstanding actions. It was confirmed the Committee had the authority to do this and the request was duly agreed.	
	RESOLUTION: Committee approved the increase in budget for two extra days' audit work.	
8	Audit Recommendations and Actions (Composite Report)	
	P Doherty said the volume of actions on the tracker was an issue with 38 of the 92 recommendations incomplete. The exceptional number of actions was due to the merger and having two sets of internal auditors. All actions were being tracked and a process was in place to follow-up with owners. A further update would be provided at the June meeting.	
	Through Members' questions, the difficulty for managers in completing actions was acknowledged. The Committee's concerns for outstanding actions to be prioritised would be fed back to SLT. The Chair would also report back to the Board about the concerns.	COO Chair
	It was suggested the tracker document be updated on a monthly basis for Members to review, however it was considered that this would not be productive.	

Item	Minute	Action
9	Review of Controls and Assurance against ILR Data 2018/19	
	This report was submitted for information and was intended to provide assurance to the Committee on the funding controls undertaken. A more quantitative report would be provided for future meetings.	
10	Risk Management / Assurance – Status Report	
	P Doherty reported that the Group Risk Management policy was one of the recommendations from the internal audit. The various responsibilities were discussed and the policy was agreed subject to correction of the typing errors.	
	The first group risk register was discussed. It was acknowledged the format had to be streamlined. Assurance was provided by managers and SLT. Paper copies of the register would be provided at future meetings.	Clerk
	RESOLUTION: Members approved the Risk Management Policy subject to minor corrections being made.	
11	Anti- Fraud Policy - Review	
	Both college policies had been reviewed and incorporated into one document. The policy outlines actions to be taken in suspected fraud cases. The Gifts, Hospitality and Expenses section was consolidated from those previously in place at Doncaster and North Lindsey. There had been no material issues in this regard.	
	D Watson would review the section on External Audit and provide any feedback.	DW
	The policy would be circulated to all staff to raise awareness.	Clerk
	RESOLUTION: The policy was approved subject to corrections and external audit review.	
12	Whistleblowing Policy - Review	
	The Clerk had led the review of the previous Whistleblowing Policies and developed a group-wide policy.	
	The policy would be circulated to all staff to raise awareness.	Clerk
	RESOLUTION: The Whistleblowing policy was approved.	
13	Health & Safety Report – Autumn Term 2018/19	
	P Doherty said the reports had been produced by Nikki Mell and Emma Whittaker who were the respective leads at each College. N Mell had now assumed group responsibility for Health and Safety and the format of future reports was to be considered.	
14	Procurement Report – Autumn Term 2018/19	
	The Procurement function had been outsourced to Tenet. Significant savings had been made last year however for the first term 2018/19 it was only £9,000. There had been concerns with the level of service provided and a meeting held with the Managing Director. The contract was due for renewal at the end of July and a decision would be made on whether to renew.	
	The Chair pointed out the large saving on the new intruder and fire alarm contract and	

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		asked if this was due to the previous one including call outs. P Doherty would look into this. COO
15	Committee QIP	
		As it was unclear what was expected for the Committee with regard to the QIP, the Chair would discuss this further with the Chair of Search & Governance. Chair
16	Any Other Business	
		P Doherty informed Members that the College had been informed HMRC would conduct a pay as you earn audit on or after 20 March 2019.
17	Date and Time of Next Meeting	
		The next meeting is scheduled for Monday 10 June at 5.30 pm at North Lindsey College.

The meeting closed at 7.25 pm

Claire Houlden
Executive Governance PA

Signed: (Chair)

Date:

TABLE OF ACTIONS			
Date	Minute	Action	Responsibility
13/3/19	4	<u>Item 3iii</u> – a Deed of Covenant was being developed to reflect the RSM recommendations in the 2017/18 audit findings report regarding gift aid distribution. The staff costs of subsidiaries were to be recharged to DN Colleges Group. This would be reported on further at the next meeting.	Chief Operating Officer
	6	P Doherty outlined the steps being undertaken to address the issues including training for staff. It was agreed that J Garrison, as Data Protection Officer, would be asked to provide an update on progress to the next Committee meeting.	Clerk
	8	Through Members' questions, the difficulty for managers in completing actions was acknowledged. The Committee's concerns for outstanding actions to be prioritised would be fed back to SLT. The Chair would also report back to the Board about the concerns.	Chief Operating Officer Chair
	10	The first group risk register was discussed. It was acknowledged the format had to be streamlined. Assurance was provided by managers and SLT. Paper copies of the register would be provided at future meetings.	Clerk
	11	D Watson would review the section on External Audit and	D Watson

		provide any feedback. The Anti-Fraud Policy would be circulated to all staff to raise awareness.	Clerk
	12	The Whistleblowing Policy would be circulated to all staff to raise awareness.	
	14	The Chair pointed out the large saving on the new intruder and fire alarm contract and asked if this was due to the previous one including call outs. P Doherty would look into this.	Chief Operating Officer
	15	As it was unclear what was expected for the Committee with regard to the QIP, the Chair would discuss this further with the Chair of Search & Governance.	Chair