

STRICTLY CONFIDENTIAL



MidKent College

GOVERNING BODY

GROUP RISK & AUDIT COMMITTEE

Minutes of the meeting of the Group Risk & Audit Committee held on Tuesday 13 June 2022 at 17.30hrs via Zoom. A Closed Session took place at 17.00hrs.

<b>Present:</b>	Mr C Reynolds	Chair
	Mrs J Dyakova	
	Mr M Prentis	Co-opted
	Mr C Reeves	
	Mrs L Snedden	
	Mr J Williams	
<b>In attendance:</b>	Ms C Burkin	Clerk to the Governing Body
	Mr S Cook	Principal/CEO
	Mr P Cox	MKCTS for item 7 and to observe
	Mrs H Foreman	For item 8 only
	Mr L Glover	Haines Watts
	Mr M Peat	Exec Director of Finance & Estates
	Mrs N Wakefield	Mazars
<b>Observing:</b>	Mr M Cook	Chair of Governors
	Mrs A Woodhouse	Chair of S&G Committee for item 5

A closed session was held before the meeting to conduct the annual assessment the internal and external auditors. This was minuted as confidential.

**1 Declarations of Interest**

All members' interests are numbered and referenced on the Declaration of Interest log kept by the Clerk.

**2 Apologies for Absence**

There were no apologies for absence. Members noted that Mrs C Richardson is on sabbatical until November 2023.

The Chair welcomed Mike Prentis as a co-opted member of the Committee.

### 3 Minutes of the meeting held on 7 February 2023

The minutes of the meeting held on 7 February 2023, Paper GBGR&A22/608, and the confidential closed sessions were accepted as a true record and signed electronically by the Chair.

### 4 Matters Arising and Outstanding Matters Report

Members discussed Paper GBGR&A22/611, the Outstanding Matters Report.

- No 1. **Ongoing** training
- No 2. Risk Policy – on the agenda at item 5 – to be updated with the Risk Appetite Statement once approved – **ongoing**.
- No 3. Risk Training – on agenda at item 5. **Ongoing**.
- No 4. Internal Audit follow up report 2021/22 – item 11 – **ongoing**.
- No 5. Strategic Risk Management Report - reflected in the updated Strategic Risk Register item 6 - **complete**.
- No 6. Deep Dive for English and Maths – student numbers provided – **complete**.
- No 7. Information Security Report – item 5 – **complete**.
- No 8. Internal Audit Reports – on agenda at item 11 – **complete**.
- No 9. Any Other Business
  - Deep Dive – Government Key Policy Changes – S Cook – **BF Sept 2023**
  - Internal Audit Report – L Glover to inform the Clerk which reports will be included – on agenda item 11. **Complete**
  - H&S - It was agreed that Hawsafe will be invited to the meeting. **Complete**.

Members accepted the report and the recommended actions arising from it.

*Members of the full Governing Body were invited to attend for this item and joined the meeting. Martin Cook and Angela Woodhouse attended this item.*

### 5 Risk Appetite Draft Statement Paper GBGR&A22/612

Lee Glover, internal auditor, gave a presentation to Governors regarding the risk appetite process and introduced the statement. Following a meeting with the GR&A Chair and M Peat, where they discussed Governor training re risk, it was agreed that the statement would be presented to the Committee for scrutiny and then presented to the Board for approval. To help Governors understand the process, all Governors were invited to the Committee for this item.

L Glover reminded members that all Governors had completed a questionnaire in October 2022, the responses were analysed and a consensus for each area of the statements reached. The responses formed the statement presented for recommendation to the Governing Body. He explained each of the areas and

appetite rating. Members noted there is a separate Risk Policy which included more detail, and it was agreed the statement will be incorporated in the policy.

**Action: M Peat**

As there had been new members to the Board since the questionnaire was last completed, it was agreed the process would be re-run and the Committee would look at a revised statement at their meeting in September with recommendation to the Governing Body in October 2023.

**Action: L Glover/Clerk**

Members also discussed the possibility of adjusting the current risk register to a similar format to that in the presentation and M Peat agreed to consider and bring back an example if it looked possible.

**Action: M Peat**

Members thanked L Glover for the presentation.

*A Woodhouse left the meeting.*

## **6 Strategic Risk Register - Paper GBGR&A22/613**

Simon Cook presented the Strategic Risk Register report and clarified the score for Medway School of Arts. Members noted that there may be differences in scores between the Operational and Strategic registers as the risks are not always exactly the same. Members were assured that the two registers are regularly updated.

He highlighted the following changes since the last meeting:

- The addition of the new risk relating to Medway School of Arts
- Changes to two risks and their scores
- Changes to the risk rank order (highest risk to lowest risk).
- Changes to the risk appetite for four risks

Members review the register, and it was agreed that the operational risk regarding the subsidiary company should be added to the strategic risk register due to its nature.

**Action: S Cook**

They also asked that the risks identified in the Internal Audit reports are captured on the operational risk register where required.

**Action: S Cook**

Members asked that the student destination risk is reviewed in line with new data received at Governing Body.

**Action: S Cook**

Members thanked S Cook for the update.

## 7 Annual Review of the Risk Registers

Martin Peat presented the College full operational risk register paper GBGR&A22/614 for its annual review.

Members noted the previous rankings have been removed and the new rankings shown as the baseline for the year. Only two risks, 14 and 23 have had changes to their scores since the last update and there are currently 8 risks which are scored as High.

The highest risk currently is No 9, related to the Adult funding where the College business plan is lower than the allocation and therefore there will be a financial clawback. The second highest risk relates to the current economic climate with the cost-of-living crisis which impacts staff and students as well as the College costs.

Three new risks have been identified and included, relating to the Medway School of the Arts (Risk 26) and also the risk of failure to meet the increased study programme hours (Risk 27) and finally, a risk relating to the potential failure to provide the required support in line with the Childrens Act (Risk 28).

Members also noted an emerging risk relating to moving the year end to 31 March and the audit capacity to complete the accounts. It was agreed this would be added to the register. M Peat assured members that the College is mitigating the risk. N Wakefield reiterated the concern. Members noted this was covered on the Strategic Risk Register under government policy.

**Action: M Peat**

Members thanked M Peat for the update.

Peter Cox reported on the MKCTS Risk register, Paper GBGR&A22/615 which gave an assessment of Strategic Risks.

Members noted the overview of the top seven Corporate and Operational Risks for the Training Services. They recognised the importance of reviewing the training services risk register annually.

Members thanked P Cox for attending to update the Committee [and he left the meeting.](#)

## 8 H&S Hawksafe Paper GBGR&A22/616

Sam Ripley and Tamsin Wright from Hawksafe joined the meeting.

It was explained that Hawksafe report to the College's H&S Committee on which C Reynolds sits and they monitor the progress and actions of the College Health and Safety

Hawksafe updated members on the progress they have made in reviewing procedures and improving documentation and risk assessments. Members

questioned some of the detail but were assured that this is scrutinized by the H&S Committee. They were also reminded that the GR&A Committee receives the H&S Annual Report to ensure they are seized of the information required to gain assurance.

Members noted and were assured by, the improved position in the College.

Members thanked Hawksafe for the update and [they left the meeting](#).

## **9 Information Security Report - Paper GBGR&A22/617**

Hazel Foreman DPO, joined the meeting to present the report which provided an overview of the number of requests recently received and the number of identified data breaches. She updated members on each section of the report. They were assured by the 100% completion rate of the data protection staff training and the low data breaches.

The Data Protection Annual Report 2022-23 was presented to provide assurance about how the College is fulfilling its data protection obligations. This was presented for approval. Members discussed some of the risks around data protection and were assured by the mitigation in place. H Foreman informed members that the report is on a par with last years with no concerns raised.

Members thanks H Foreman for the update and **approved** the annual report.

## **10 Policy for approval – paper GBGR&A22/618**

M Peat presented the Health & Safety policy for approval which had been reviewed by the Exec Director responsible for H&S and the consultants, Hawksafe,

The policy has been reviewed to ensure the latest legislation is followed. The main amendments reflect the changes to the College staffing structure, which have been updated in line with the current establishment. These have been clarified in terms of detailing the areas of responsibility.

Members **approved** the policy for recommendation to the Governing Body.

**Action: Clerk**

## **11 Internal Audit Reports - Paper GBGR&A22/619a-f**

Lee Glover explained the companies rebranding to members, as Haines Watts is now Validera. He introduced the following internal audit reports:

- a) Partnerships (HE provision) – Adequate.
- b) Capital Expenditure – Adequate.
- c) Payroll – Substantial.
- d) Student Records – Limited.

- e) Estates – Limited.
- f) Follow up Report – information Governance Health check – in progress.

The Committee agreed to focus discussion on the reports with limited scores.

L Glover explained that any student records audit must be rigorous to ensure funding regularity is followed. It was agreed that any recommendations will be actioned over the next annual cycle. Members discussed the reasons behind the findings and were assured by the recognition and acceptance of the recommendations made.

The Committee discussed the estate audit. M Peat explained that his management responses had not yet been included in the report and he will be taking this forward with the auditors. Member asked that the report is brought back to the next meeting.

**Action: M Peat/L Glover**

Members noted that management have not yet confirmed that the 2021/22 Follow Up report and this is the only outstanding report from 2021/22.

L Glover and M Cook left the meeting.

## 12 External Audit Planning Strategy – paper GBGR&A22/620

Nichola Wakefield presented the report which set out and summarised the audit approach to end of year July 2023 for approval.

Areas of focus included:

- Significant risks and key judgement areas
- Bad debt
- Claw back
- Fixed assets
- Treatment of the investments

Members noted that the regularity audit covers the whole Group. N Wakefield highlighted that the risks and judgements are similar to last year but there are two additional pieces of regularity work included, as a requirement of the funding agency, which adds to the overall fee and workload. The only accounting difference will be the treatment of the investment fund. She reported that planning meetings have taken place and preliminary work has started to assist the timescale and additional work required.

Members thanked Mazars and **approved** the report.

**13 GR&A Committee Self-assessment 20203 and GR&A Committee improvement plan 2023/34 - paper GBGR&A22/621 & 622.**

Committee members had completed a self-assessment questionnaire, and the results were being collated. It was agreed the Chair and Clerk will analyse the comments and reflect these in the improvement plan.

**Action: Chair/Clerk**

The draft Improvement plan paper GBGR&A22/622 was presented in tracked changes to show strengths and improvements. It showed the strengths have been broadly met but the improvements remain in place.

It was agreed the analysis of the self-assessment replies will inform the improvement plan which will be circulated outside the meeting and once agreed, recommended to the Governing Body.

**Action: Chair/Clerk**

**14 Review of the Committee Terms of Reference**

The Chair presented the terms of reference. Members were reminded it is good practice to review these annually to ensure the Committee continue to meet their duties. Members agreed the suggested amendments, presented in tracked changes and the additions made to reflect the new duties.

The Committee agreed for **recommendation** to the Governing Body.

**Action: C Reynolds**

**15 Any Other Business**

Members noted that Chris Reeves was stepping down from the Committee. The Chair thanked Chris Reeves for his contribution to the Committee over the last seven years including a time as temporary Chair of the Committee. C Reeves will be leaving the Board in March 2024.

The draft agenda for 19 September 2023 was noted and it was agreed this will be reviewed by the Chair and Clerk nearer the meeting.

**Action: Chair/Clerk**

**16 Dates of meetings for 2023/24**

19 September 2023  
23 November 2023 & Joint meeting with F&R Committee  
6 February 2024  
11 June 2024

The next meeting will be held on Tuesday 19 September 2023 at 5pm on Teams.

The meeting closed at 19.56hrs.