



**USP College Corporation  
Risk and Audit Committee**

**Minutes of the Meeting held on Tuesday 10 March 2020**

**Palmer's campus  
Meeting commenced: 16.00hrs  
Meeting ended: 17.30hrs**

**Present**

Graeme Loveland	Independent Member	Chair
Roger Key	Independent Member	
Jacob Smith	Independent Member	

**Apologies for Absence**

Andy Williams	Independent Member
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**In attendance**

Steven Hendy	Chief Operating Officer (COO)
John Revill	Vice Principal Partnerships, Funding & Business Planning (VP P,F&BP)
Lorraine Stoten	Head of Human Resources (item 5 only)
Leisyen Keane	Scrutton Bland
Christine Chisholm	Oaklands College

**Clerk**

Sue Glover	Clerk to the Corporation
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The Chair of the Committee welcomed Christine Chisholm from Oaklands College and introductions made. The Committee was advised that Christine is the current Chair of the Audit Committee at Oaklands College and was attending as an 'observer' to gain further experience relative to her role.

The Clerk advised that item 10 on the agenda would be taken after the College Policies item so that the VP P,F&BP could present and then leave the meeting.

**001.20 Declaration of Interest**

Members and officers were reminded of the need to declare any personal or financial interest in any item to be considered during the meeting.

Graeme Loveland declared that he is a Trustee of the Palmer's Trust and that he is both the Clerk and Secretary to the Palmer's Trust.

There were no other declarations of interest.

**002.20 Apologies for absence**

Apologies for absence were received from Andy Williams.

The Risk and Audit Committee agreed to receive the apologies for absence.

**003.20 Unconfirmed minutes of the meeting of the Risk and Audit Committee held on 3 December 2019**

The minutes of the meeting were approved and signed as a correct record.

**004.20 Matters arising and action points from the minutes of the previous meeting**

Members reviewed the schedule of action points, noting those that had been completed.

With regard to the action relating to the HR review of personnel files, the Head of HR has advised that a review is currently underway of employment references, right to work checks, employment contracts and job descriptions to ensure they are on file and accurate. It is anticipated that the review will be complete by the end of August 2020 and the outcome would be presented to the Committee.

Members agreed that there were no other matters arising from the minutes of the previous meeting.

**005.20 College Policies – Whistleblowing Policy**

The Head of HR presented, for consideration and approval, the Whistleblowing Policy.

Members were advised that the policy has been reviewed by the College's Policies and Procedures Committee to ensure it is kept updated to meet legislative or other requirements.

Members reviewed the detail of the document, suggesting that it would be more appropriate to use job titles rather than individual's names and the Head of HR agreed to amend accordingly. It was agreed that there were no further amendments required.

**Resolved**

The Risk and Audit Committee approves and recommends to the Corporation Board for approval the Whistleblowing Policy

**Lorraine Stoten left the meeting**

**006.20 Office for Students – Individualised Learner Record (ILR)**

The VP, P,F&BP presented, for consideration, a letter received from the Office for Students (OfS) dated 28 February 2020 relating to students receiving student support and not appearing in the ILR.

Members were advised that

- the letter had identified 14 inconsistencies when a comparison was made between the College submitted ILR and the information held by the student loans company
- there were two reasons for these inconsistencies
  - a subcontracting partner did not produce evidence of eligibility in a timely manner to allow submission on the ILR, however a loan was already in place, which has different eligibility criteria
  - a 'tick box' in the MIS system to include the record in the ILR was not cascaded down from the course provision to the student enrolment

Members discussed the issues raised and, in response to questions, were advised that

- unlike the ESFA funding streams, where a suite of validation tools exist, there are no validation tools available pre-submission by the OfS
- this was effectively an 'administration' error and as such additional checks have now been put in place

The Committee agreed that the College had taken appropriate action and there was no further action required at this time.

### **Agreed**

The Risk and Audit Committee agreed to receive and note the report.

### **John Revill left the meeting**

#### **007.20 Fraud, Irregularity and Whistleblowing Matters**

The Committee were advised that there were no matters to report with regard to fraud.

#### **008.20 Quarter 3 Headline Risk Register 2019/20**

The COO presented a report, which provided details of the headline risks together with the risk register summary for Quarter 3 2019/20.

Members were advised that

- the headline risks have been reviewed and agreed by the Senior Management Team
- the headline risks of the College are the main focus of the Committee, but in future on an annual basis the college wide departmental risk registers will be presented for review
- the ITEC Learning Technologies risk register is provided for information only whilst further work on this takes place

Members considered the detail of the report, noting:

- Changes to Risk, Risk Ownership Updates and Risk Rating Changes
- there are 21 headline risks, 7 of which have met the targeted risk outcome for 2019/20; of the remaining risks 7 are making the expected progress to meet the targeted outcome, but 7 remain at a Significant or High Level
- a new risk has been added following the Coronavirus outbreak, which is currently rated as 'significant' with a residual risk of 'high' once all actions are in place

Members reviewed each of the headline risks, noting that under risk ref. HL8 it would appear that the year stated is incorrect. In discussion, the Committee agreed that it was appropriate the new risk relating to the Coronavirus outbreak should remain high at this time and were further advised on the various actions being taken by the College to keep staff and students informed.

The Committee was advised that the proposed Risk Management Board would be deferred at this time due to capacity issues within SMT who were preparing for the Ofsted inspection, which was due at any time.

### **Agreed**

The Risk and Audit Committee agreed

- to receive and note the risk management report and risk register Quarter 3
- the report and risk register is presented to the next meeting of the Corporation Board

**009.20**

### **Post-16 Audit Code of Practice 2019 to 2020**

The Clerk gave an update on the latest version of the Post-16 Audit Code of Practice (the Code).

Members were reminded that the Code sets out a common standard for the provision of assurance in relation to funding of post-16 providers, setting out

- the overarching assurance arrangements for post-16 providers
- the specific responsibilities within the assurance framework for sixth-form and further education corporations, and their external auditors/reporting accountants

The Committee was advised that the updated version for 2019-20 has not yet been issued by the ESFA and it was agreed that the guidance set out in the previous version would continue to be followed until a revised version was available.

### **Agreed**

The Risk and Audit Committee agreed to receive and note the update

### **Internal Audit**

**010.20**

### **Review of outstanding audit items**

The COO presented a report, for monitoring and review, detailing the progress made against the internal audit recommendations from audits in 2018/19.

Members reviewed the detail of the report, noting the

- summary of the number of recommendations and of the 35 recommendations made
  - 26 are complete
  - 7 are ongoing
  - 2 have not yet been started
- progress/completion against each recommendation
- update where target dates have been amended

In discussion, members agreed that good progress has been made and were advised that the expectation is that all recommendations will be achieved within the set timescales. However, members commented that under Human Resources, the recommendation relating to staff appraisals indicates being complete but according to the progress made, appraisals for teachers has been deferred to March 2020. It was agreed that this recommendation would be amended accordingly and the progress against appraisals would be presented at the next meeting.

### **Agreed**

The Risk and Audit Committee agreed to receive and note the report.

## 011.20 Risk and Assurance Progress Report – March 2020

The Internal Auditor presented for information the Risk and Assurance Progress Report March 2020.

Members noted the internal audits complete and those planned against the agreed Internal Audit Plan for 2019/20 and the dates when final reports will be presented to the Committee.

### Agreed

The Risk and Audit Committee agreed to receive and note the report.

## 012.20 Internal Audit Reports

The Internal Auditor presented for consideration the following final Risk and Assurance Reports:

### GDPR Compliance Health Check

Members reviewed the detail of the report, noting

- Assurance opinion – ‘Significant’ green *‘Governance, risk management and control arrangements provide significant assurance that the material risks reviewed are managed effectively. There are some areas where the adequacy or operation of controls should be improved further’.*
- 4 low recommendations
- Nil high or medium recommendations

Members reviewed the action plan in place to address the low recommendations, noting the progress made.

### Ordering, Purchasing and Payments Health Check

Members reviewed the detail of the report, noting

- Assurance opinion – ‘Significant’ green *‘Governance, risk management and control arrangements provide significant assurance that the material risks reviewed are managed effectively. There are some areas where the adequacy or operation of controls should be improved further’.*
- 1 medium recommendation
- 1 added value point
- Nil high recommendations

Members reviewed the action plan in place to address the medium recommendation, noting the progress made.

### Human Resources

Members reviewed the detail of the report, noting

- Assurance opinion – ‘Significant’ green *‘Governance, risk management and control arrangements provide significant assurance that the material risks reviewed are managed effectively. There are some areas where the adequacy or operation of controls should be improved further’.*
- 2 medium recommendations
- 1 low recommendation
- Nil high recommendations

Members reviewed the action plan in place to address the medium recommendation, noting the progress made.

## **Marketing and T-Level Preparedness**

Members reviewed the detail of the report, noting

- Assurance opinion – ‘Reasonable’ amber *‘Governance, risk management and control arrangements provide significant assurance that the material risks reviewed are managed effectively. There are some areas where the adequacy or operation of controls needs significant improvement’.*
- 1 medium recommendation
- 3 low recommendation
- Nil high recommendations

Members reviewed the action plan in place to address the medium recommendation, noting the progress made.

In discussion, members agreed that, whilst there were no ‘high level’ recommendations, there was a ‘medium level’ recommendation regarding the review of the Marketing Strategy and this being fully aligned to the College’s Strategic Plan.

It was accepted that a review of the marketing plan is due in June when the new budget is agreed. However, the Committee raised concern that completion of the review in June, with a subsequent acceptance by the Board in July, would be too late.

Members agreed that the Board should consider, at the earliest opportunity, whether marketing strategies in place have been successful or not. A paper to be presented to the next meeting of the Corporation Board on 24 March, outlining the marketing strategies taken to date and the planned strategies for the forthcoming academic year so that the Board can evaluate whether the strategy has been successful and to give input in to strategies for the forthcoming year. The Committee considered that this is a key point in time for recruitment for next year for the College and it is imperative that the Board is confident that marketing strategies in place are successful.

## **Resolved**

The Risk and Audit Committee agreed to

- receive and accept the final Risk and Assurance Report for
  - GDPR Compliance Health Check
  - Ordering, Purchasing and Payments Health Check
  - Human Resources
  - Marketing and T-Level Preparedness

### **013.20 Any Other Business**

There were no items of any other business.

### **014.20 Dates of scheduled meetings of the Risk and Audit Committee 2019/20**

Tuesday 9 June 2020

All meetings commence at 4pm.

**As there was no further business, the Chair declared the meeting closed.**

**SIGNED AS A CORRECT RECORD:**

**DATE: 9 June 2020**

