



**USP College Corporation
Risk and Audit Committee**

Minutes of the Meeting held on Tuesday 21 March 2023

**Held on Microsoft Teams
Meeting commenced: 16.00hrs
Meeting ended: 17.15hrs**

Present

Malcolm Bell	Independent Member	Chair
Roger Key	Independent Member	
Tony Wenden	Independent Member	

In attendance

Steven Hendy	Chief Finance Officer (CFO)
Paul Goddard	Internal Audit Service - Scrutton Bland

Clerk

Sue Glover	Clerk to the Corporation
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001.23

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.

There were no declarations of interest.

002.23

Apologies for absence

There were no apologies for absence.

003.23

Unconfirmed minutes of the meeting of the Risk and Audit Committee held on 29 November 2022

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

004.23

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

Members reviewed the schedule of action points. It was agreed that all matters had been satisfactorily completed and there were no other matters arising from the minutes of the previous meeting.

005.23

College Policies – Whistleblowing Policy

On behalf of the Director of HR, the Clerk presented, for consideration and approval, the Whistleblowing Policy.

Members were reminded that the policy is presented on an annual basis for governors' approval. It has been reviewed by the College's Policies and Procedures Committee to ensure it is kept updated to meet legislative or other requirements and there are no changes required at this time.

Members reviewed the detail of the document and agreed there was nothing further to add.

Resolved

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

006.23 Fraud, Irregularity and Whistleblowing Matters

The Committee was advised that there were no matters to report.

007.23 Quarter 3 Headline Risk Register 2022/23

The CFO presented a report, which provided details of the headline risks together with the risk register summary for Quarter 3 2022/23.

Members were advised that

- the headline risks have been reviewed and agreed by the Executive Leadership Team (ELT)
- the review was carried out in January when the ELT considered the current headline risks
- consideration was given whether any of the current risks have changed and whether still appropriate for 2022/23

Members considered the detail of the risks, noting:

- there are no new risks, none have been removed and there are no changes to risk ownership
- there are 21 headline risks, all of which are on track to meet target for 2022/23, with some having the rating reduced and one where the target has been achieved

The internal auditor suggested that the College may wish to expand the risk relating to Cyber-attacks as this is becoming an emerging risk in the sector. Members were advised that the College has robust systems in place to respond to any such fraudulent activity, but the related risk would be expanded accordingly at the next review by the ELT.

The Committee agreed that the risk relating to potential increases in energy costs should continue to be rated as a high risk and were encouraged to note the various measures in place to mitigate this risk, particularly around reducing the energy consumption used at the College and acknowledged that the move to a 4.5 day week and the closure during holiday periods would contribute to reducing energy costs.

The Committee agreed that the headline risks in place for the College remain appropriate and that good progress continues to be made to ensure that they remain on track to meet the target set for 2022/23.

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

008.23 **Review of outstanding audit items**

The CFO presented a report, which detailed the progress made against the internal audit recommendations for 2021/22 and 2022/23.

Members reviewed the detail of the report, noting the

- summary of the number of recommendations
- progress/completion against each recommendation
- update where target dates have been amended
- that of the 30 recommendations made
 - 22 are complete
 - 8 are ongoing

Members were advised that recommendations will be reconciled against the follow up audit once this has been completed by the internal auditor.

Members agreed that good progress has been made to complete a number of outstanding audit recommendations.

009.23 **Risk and Assurance Progress Report 2022/23 – March 2023**

The Internal Auditor presented the Risk and Assurance Progress Report detailing the planned and completed audits against the agreed internal audit plan.

Members noted the internal audits completed to date and those that will be completed during the remainder of the year.

010.23 **Internal Audit Reports**

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

General Ledger and Credit Card Payments

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 in practice should be improved further’*
- 0 high recommendations
- 0 medium recommendation
- 2 low recommendations

Members reviewed the summary of findings, the recommendations made and the action taken to address the issues raised.

Room Utilisation

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 in practice should be improved further’*
- 0 high recommendations
- 0 medium recommendation
- 1 low recommendation

Members reviewed the summary of findings, the recommendation made and the action taken to address the issue raised. In discussion, members commented on the need for a more robust use of registers being completed as indicated in the recommendation.

Estates Management, Health and Safety

Members reviewed the detail of the report, noting

- Assurance opinion for Estates Management – ‘Significant’ green
‘Governance, risk management and control arrangements provide significant assurance that the material risks are managed effectively. There are some areas where the adequacy or operation of controls in practice should be improved further’
- 0 high recommendations
- 1 medium recommendation
- 0 low recommendation
- Assurance opinion for Health and Safety – ‘Reasonable’ amber
‘Governance, risk management and control arrangements provide reasonable assurance that the material risks are managed effectively. There are some areas where the adequacy or operation of controls in practice needs to be significantly improved’
- 0 high recommendations
- 3 medium recommendations
- 1 low recommendation

Members reviewed the summary of findings, the recommendations made and the action taken to address the issues raised, in particular noting that CPD for staff will play an important part in ensuring that Health and Safety refresher training will be delivered to all staff at least once every three years.

Security

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 in practice should be improved further’
- 0 high recommendations
- 2 medium recommendations
- 2 low recommendations

Members reviewed the summary of findings, the recommendations made and the action taken to address the issues raised.

The Committee agreed that the outcomes presented from each of the internal audits was very pleasing and demonstrated the robust processes in place to achieve good levels of assurances and asked that thanks are passed to those involved with the internal audits for their hard work in gaining these assurances.

Resolved

The Risk and Audit Committee agreed to accept the

- Internal Audit Recommendations monitoring report
- Risk and Assurance Progress report – March 2023
- Final Risk and Assurance reports for
 - General Ledger and Credit Card Payments
 - Room Utilisation
 - Estates Management, Health & Safety
 - Security

011.23

Internal and External Audit Performance Indicators

The CFO presented for consideration an evaluation report, detailing the performance of the current internal and external auditors.

Internal Auditors – Scrutton Bland

Members were advised that Scrutton Bland have been the College's internal audit provider since the merger of Seevic and Palmers.

The Committee reviewed the evaluation of their performance, noting

- Independence and objectivity
- Audit strategy
- Conclusion and reporting of audits

Members agreed that reports from Scrutton Bland are clear, concise and delivered on time. They are always in attendance at meetings to present their reports and to discuss any outcomes from the audits. College staff have provided positive feedback on the quality of their audit work and the Committee consider that value added has been received as part of their service. The reporting of the progress of audit recommendations was good and their provision of a follow-up audit each year.

It was agreed that, whilst it is not a requirement for a college to have an internal audit provider, the College should continue with the internal audit service provided by Scrutton Bland as this gives significant assurance to the Committee and to the Board that the College's internal controls and processes are sufficiently strong.

External Auditors – Buzzacott

Members were advised that Buzzacott have been the College's external auditors since June 2019.

The Committee reviewed the evaluation of the performance, noting

- Independence and objectivity
- Audit strategy
- Conclusion and reporting of audits

The CFO advised that, overall, they have provided a good service. However, audit planning regarding the allocation of time where audit is performed remotely needs to be clear to give comfort that sufficient time has been dedicated to key reviews. As has already been agreed by the Board, Buzzacott have been retained for a further year to complete the 2022/23 financial statements and the College will re-tender for external audit in 2024.

Resolved

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

- Scrutton Bland continue as the College's internal audit provider
- As previously agreed, Buzzacott are retained for a further year to complete the 2023/24 financial statements and external audit is re-tendered in 2024

012.23

Any Other Business

There were no items of any other business.

013.23

Dates of scheduled meetings of the Risk and Audit Committee 2022/23

Tuesday 13 June 2023

At the conclusion of the meeting, the Committee moved into a meeting restricted in accordance with the Instrument and Articles of Government and with the Section 22 of the Freedom of Information Act 2000, to members of the Committee, the Corporation Board and to senior post holders.

SIGNED AS A CORRECT RECORD:

DATE: 21 June 2023

A rectangular box containing a handwritten signature in black ink. The signature is stylized and appears to be 'R. 21'.