

# MILTON KEYNES COLLEGE

## AUDIT & RISK COMMITTEE

Part 2 Minutes of the meeting held on 18<sup>th</sup> March 2021, MS Teams,  
08:30 to 10:10

Committee Members	Attendance Record 2020-2021	Present at this meeting
Richard Bartlett-Rawlings Alan Cook (Chair) Peter Cox Mat Gotkowski Kuldip Kaur	2 of 2 2 of 2 2 of 2 2 of 2 2 of 2	Richard Bartlett-Rawlings Alan Cook Peter Cox Mat Gotkowski Kuldip Kaur
Total percentage attendance this meeting	100%	5/5
Total percentage attendance year to date	100%	10/10

**In attendance:** Karen Brown, Imelda Galvin, Marc Gillham, Will Gordon, Julie Mills  
Simon Cox, Elucidate (in part)

### CONFIDENTIAL PART 1

1.0 Confidential Minutes Part 1

### PART 2 PROCEDURAL

2.1 Welcome and Apologies. There were no apologies as everyone was present.

2.2 Declaration of Interests: None declared.

### MINUTES OF LAST MEETING: 30<sup>th</sup> November 2020

3.1 **The Committee approved the minutes** (Papers 3.1A, 3.1B, 3.1C and 3.1D).  
Matters arising are minuted in Annex 1 (all complete)

### 2020/21 ASSURANCE

4.1 Internal Audit 2020/21

#### 4.1.1 Internal Audit Report (Paper 4.1A)

Simon Cox advised that three audits had been completed since the last meeting :

##### a) Payroll

The opinion is that the systems and controls provide '**satisfactory assurance**' (which is the highest level).

There was one merits attention recommendation. The report has been accepted by College management.

There was one recent recovery of an over payment, but this was not a payroll error.

## **b) Business Continuity Planning**

The opinion is that the systems and controls provide '**satisfactory assurance**' (which is the highest level).

There was one significant recommendation. The report has been accepted by College management.

This Committee had recommended the Business Continuity plan to the Board for approval at the last meeting. Since then, there have been two real events that have tested business continuity arrangements; both events have been documented and evaluated. Workshops will take place when staff are back onsite.

## **c) Public Interest Disclosure (Whistleblowing) (1) Investigation**

This was an advisory audit consequently no opinion was given. Simon discussed his findings in relation to each disclosure. The conclusion was that "**the whistleblowing investigation finds no issues of concern related to the matters raised**".

The report makes one 'merits attention' recommendation to further reduce risk to the College (and not because of the Whistleblowing matters raised).

The Committee was advised that the ESFA received a PID on 12<sup>th</sup> March relating to two of the matters included in this report. The College had forewarned the ESFA to expect this, and the College is investigating everything thoroughly and robustly to provide the ESFA with a detailed response / full picture. A reply is required by 9<sup>th</sup> April and the College is being advised by Howes Percival.

The Chair of the Finance Group advised that the Tribal benchmarking report had been discussed with Tribal at the meeting on 1<sup>st</sup> February and the Group had been assured on the methodology and findings.

All colleges are having to respond to the 540 hours challenge in current circumstances.

***The Committee noted the reports and approved the management responses.***

### **4.1.2 Elucidate's advisory role in Risk Management (Paper 4.1A)**

As requested at the last meeting, Simon advised that following the retirement of Steve Lake, Elucidate had separated the roles of internal audit and risk management; David Kalman, is now supporting the College with risk management advisory work. David has been attending the College's Risk Management Group meetings (reported at agenda item 4.3). The audit plan has not been updated to include this advisory work.

***The Committee noted the update on Elucidate's advisory role in risk management.***

### 4.1.3 Satisfaction Questionnaires (*Paper 4.1.1*)

***The Committee noted the Performance Survey questionnaires relating to the audits included in 4.1.1***

## 4.2 Progress in implementing recommendations from previous audit reports (*Paper 4.2*)

Will Gordon updated the Committee on the progress in implementing previous audit recommendations. Since the last meeting, there have been three new and no fully completed recommendations. There are currently twelve recommendations outstanding.

Two recommendations have passed their implementation dates. These relate to ICT strategy recommendations and the original deadline for implementation was 24<sup>th</sup> December 2020 and 1<sup>st</sup> February 2021. Due to the focus on IT support for remote working students, including addressing digital poverty, a revised implementations date of 31<sup>st</sup> May 2021, is proposed (which is a more realistic deadline).

***The Committee reviewed the report, noted progress, and approved a revised implementation date for two recommendations***

## 4.3 a) Risk Management & Board Assurance (*Paper 4.3A*)

The Committee reviewed the strategic risk register and noted the level of activity since the last meeting demonstrating that risk is being managed by the College.

Since the A&R Committee meeting in November, the College's Risk Management Group (RMG) has met three times (the minutes were attached to Paper 4.3A for information).

There are eleven strategic risks of which two are currently red (highest priority) and nine are amber (medium priority). The two red residual risks are (1) inadequate buildings / infrastructure and (2) health and well-being due to the pandemic.

Matters reviewed in depth by the RMG were COVID and quality of provision. Teaching staff and students have started to return to Chaffron Way Campus and Bletchley Campus; the testing regime has been a big diversion of resource, but it has gone well (other colleges have experienced negative publicity).

As requested at the last meeting, the list of policies overseen by this Committee was included in Paper 4.3).

Governors noted that the RMG minutes and annotations are evidence that there is a live risk management process.

## b) Managing Perceptions Risk involving a Related Party Transaction / Conflicts of Interest Policy (*Paper 4.3B*)

The Committee agreed a new process to manage perception risk where there is a contract over £10k involving a related party transaction:

- The usual procurement / due diligence process will be followed in accordance with the Financial Regulations
- In addition, the COO and Chair of the A&R Committee will agree what (if any) additional due diligence is required which will be ratified and minuted

at the next A&R Committee meeting. This is a pragmatic approach as it is impossible to anticipate every scenario which could arise.

- A new Conflicts of Interest Policy (the policy) (which is a sector policy) will apply to Corporation Members, Co-opted Committee Members, and the Executive Leadership Team
- Changes will be made to two sections of the Financial Regulations to reference the new policy (agenda item 4.5 below)
- The standard template for seeking Board approval of contracts will have a new section on additional due diligence in the event of a contract involving a RTP.

***The Committee agreed to recommend to the Board for approval:***

- ***The Strategic Risk Register***
- ***The new Conflicts of Interest Policy, and the new process for managing contracts over £10k involving a related party transaction***

#### **4.4 Data Security / GDPR (Paper 4.4)**

Marc Gillham updated the Committee on data security. The challenges this year have related to moving everything online. There have been no major data breaches and no complaints to the ICO.

The cyber-attacks (denial of service) have reduced since mitigating actions were implemented and there has been no recent incidents.

There has been a significant increase in Freedom of Information (FOI) and subject access requests (SAR) which is putting a strain on operations e.g. an annual request from UCU (University and College Union) asks for pay data for 19 prisons and 2 College sites for the last three years. There have also been FOI / SARs connected to the whistleblowing disclosures.

Members asked questions:

***Where are FOI requests reported?***

Annually to the Board.

***Is there a reason for the increase in FOI / SARs?***

A few recently are connected to a grievance. The UCU request is annual and they send a letter advising that the request will be coming. This is data which should be held by the sector centrally.

***Is there a medium term solution if requests are increasing?***

Yes, we may consider outsourcing the DPO role as some colleges do. A technological solution is not really an option even where we hold the data as a manual review is necessary to redact information which should not be released.

***Is there protection where requests are malicious / vexatious?***

Yes, there is protection through the FOI Act and we take advice from solicitors. The ICO expect requests to be met but we do refer matters to the ICO in certain circumstances.

***The Committee noted the assurance on Data Security***

#### 4.5 College Financial Regulations (*Paper 4.5*)

The Committee reviewed the following sections of the Financial Regulations:

- Section 15: Conflicts of Interest, Bribery, Gifts and Hospitality
- Section 16: Partnership & Sub-contracting

The proposed changes are explained in item 4.3b above.

***The Committee reviewed the two sections of the Financial Regulations and recommended these to the Board for approval***

#### 4.6 Public Interest Disclosure (Whistleblowing) (2) Investigation (*Paper 4.6*)

The Chair of Governors and CEO received an anonymous PID disclosure on 22<sup>nd</sup> February alleging breach of the Financial Regulations. The Chair of Governors and Chair of Audit & Risk Committee investigated the facts and concluded there had been no breach. The Chair of Audit & Risk Committee will however request an additional sentence to be added to the Travel and Subsistence Expenses Policy.

Governors asked whether there were any more current or former employees who are disaffected. Julie advised that the Peakon staff survey (results are reported to the Board) should highlight any concerns and identify any areas of non-cultural alignment. There has been a significant change to curriculum leadership which is being managed and colleagues are being involved in a developing curriculum strategy and not everyone is comfortable with that.

***The Committee noted the outcome of the whistleblowing (2) disclosures.***

#### 4.7 Travel & Subsistence Expenses Policy

This policy is due for revision. The Committee Chair requested an additional sentence to be added "The cost of hospitality should be met by the most senior person present".

***Subject to the amendment, the Committee agreed to recommend the Travel & Subsistence Expenses Policy to the Board for approval.***

### 5.0 ANY OTHER BUSINESS

None

### NEXT MEETING: 18<sup>th</sup> June 2021

*Simon Cox was thanked for attending and he left the meeting*

### CONFIDENTIAL PART 3

6.1 Confidential Minutes Part 3

## Actions arising from the last / previous meeting(s)

Date raised	Action	Who	Status
30.11.20	1. Report and Financial Statements Add a paragraph about the IoT	WG	Complete
	2. Report and Financial Statements Confirm with auditors that the Arts 1 contract for 20/21 does not have to be declared as a related party transaction	IG	Complete (Buzzacott confirmed it did not have to be declared)
	3. Representation letter – reissue to include IoT costs in accordance with Page 12 of the Post-Audit Management Report	Buzzacott	Complete
	4. Present a list of policies overseen by this Committee at the next meeting	EG / IG	Complete - Agenda item 4.3A
	5A Amend the Internal Audit Plan for 2020/21 to include Elucidate's role in risk management.	IG / Elucidate	Complete - Agenda item 4.1.2
	5B. Report to this committee on engagement with the College on risk since the last meeting e.g. attendance at the Risk Management Group meetings. This regular report, which should include matters discussed, advice or recommendations given, will clarify the role of the IAS versus the role of management.	Elucidate	Complete - Agenda item 4.1.2
6. Business Continuity Plan Reference other agencies in the incident report framework including how gold commanders from each institution would work together.	LS	Complete	