

## MILTON KEYNES COLLEGE

### AUDIT & RISK COMMITTEE

Part 2 Minutes of the meeting held on 1<sup>st</sup> May 2024

Room 3, Chaffron Centre

08:30 – 10:25

Committee Members	Attendance Record 2023-2024	Present at this meeting
Richard Bartlett-Rawlings	2 of 2	Richard Bartlett-Rawlings
Jasmine Fergusson	1 of 3	Jasmine Fergusson
Mat Gotkowski	4 of 4	Mat Gotkowski
Amit Nayyar	2 of 3	Amit Nayyar
Alan Cook (resigned 15.4.24)	3 of 3	
Total percentage attendance this meeting	100%	4/4
Total percentage attendance year to date	80%	12/15

In attendance: Sally Alexander (CEO), Jason Mansell (COO), Alasdair McWilliams (Data Protection Officer) (in part), Liana Sinclair, Director of Estates (in part), Karen Brown, Head of Governance, Sam Samuels, Governance Partner  
Steven Connors, Validera (Teams) (in part)

### PART 1

Confidential (minuted separately)

### PART 2

### PROCEDURAL

#### 2.1 Welcome and Apologies

Richard Bartlett-Rawlings welcomed everyone to the meeting.<sup>1</sup> Alan Cook has resigned from the Board and was thanked for supporting the work of this Committee.

Meeting papers are dated 11 April 2024 as this meeting was rescheduled to ensure quoracy.

#### 2.2 Declaration of Interests

None previously declared.

#### 2.3 Minutes of the Last Meeting

<sup>1</sup> After the meeting, the Committee confirmed the election of Richard Bartlett-Rawlings as Committee Chair and Amit Nayyar as Committee Vice-Chair

**The Committee approved the minutes of the meeting held on 23 November 2023 (previously circulated as Papers Confidential 2.3A, 2.3B and Confidential 2.3C)**

**Matters arising**

<b>Date Raised</b>	<b>Actions arising from the last and previous meetings</b>	<b>Action Owner</b>	<b>Current position</b>
23/11/23	1. Review the management response to the Counter Fraud Internal Audit	JM	Complete - Reported in Paper 3.3
	2. Review the management response to the Sub-Contracting Standard Internal Audit	JM	Complete - Reported in Paper 3.3
	3. Calculate EBITDA as a percentage of income to exclude prisons	SSA	Action transferred to Finance Group (discussed 26.2.24)
	4. Review depreciation and republish the Post-Audit Management report	SSA / Buzzacott	Complete (Board papers 13/12/23)
	5. Invite JF to a RMG meeting	JM	Complete – JM attended the March 2024 meeting
	6. Circulate a breakdown of 'other' incidents (H&S report)	LS	Complete – included in Paper 3.7
	7. Include prior data and location in future H&S reports	LS	Complete – included in Paper 3.7
	8. Assure the Committee that fraud measures are broader than misappropriation of College Assets	JM	Complete – assurance provided in paper 3.10A

**3.0 202/24 ASSURANCE**

**3.1 RSM Funding Assurance Review (previously circulated as Paper 3.1)**

Jason Mansell advised that the draft report had been received and was very helpful. The final report will be available for the next meeting.

The three key areas of risk relate to:

1. Study Programme Learners and independent study hours
2. Evidence to support Adult Additional Learning Support.
3. Apprenticeships

The Team is already taking action to address the risks and other exceptions identified in the review.

The Committee asked questions to which Jason responded:

***What are the emerging themes? Are processes improving over time or are themes reoccurring? How many recommendations refer to remediations versus forward-looking improvements?***

***Governors want to see a culture of getting things correct from the start rather than fixing problems in Term 2.***

We have not yet referred to previous reports but will undertake this analysis before the next meeting.

The review has highlighted that effective planning and clear guidance relating to study programme hours is key and the plan needs to incorporate risk mitigation should things change. The timing is relevant as the curriculum planning work is being carried out now.

***The Committee noted the interim assurance on student records data.***



## 3.2 Internal Audit 2023/24 (previously circulated as Paper 3.2)

Steven Connors summarised:

- Five audits have been completed and are reported below
- The two remaining audits (Prison Contract and Budgetary Controls) will be reported at the next meeting
- An emerging theme is ensuring that policies and procedures are kept up to date.

### 3.2.1 Work Experience

The opinion is that the systems and controls provide '**adequate assurance**'. The two amber and two green recommendations were accepted by management.

A student survey and feedback informed the recommendation for greater clarity of objectives and evaluation to ensure continuous improvement in the process.

### 3.2.2 Corporate Governance

The opinion is that the systems and controls provide '**substantial assurance**' (highest level of assurance) The one green recommendation was accepted by management.

The Committee asked about the difference between the Corporate Governance Audit (CGA) and the External Governance Review (EGR) in relation to governor training. The Head of Governance explained that the CGA focused on compliance (e.g. how many governors had completed the mandatory training) whereas the EGR focused on Board effectiveness e.g. whether a personalised training plan would be more effective.

### 3.2.3 Application to Enrolment and Marketing

The opinion is that the systems and controls provide '**adequate assurance**'. The two amber, four green and one blue recommendations were accepted by management.

Recommendations included having a set of core questions to ensure consistency and improve clarity, setting expectations about response times and having a focused approach on assessing course viability.

### 3.2.4 Core Financial Controls

The opinion is that the systems and controls provide '**substantial assurance**' (highest level of assurance). The one amber and two green recommendations were accepted by management.

Paying match officials from petty cash was highlighted. Susan Akhtar advised that this is common practice in the sector (as there is a pool of c.100 referees who are randomly allocated) however, the College will review alternatives.

### 3.2.5 Safeguarding

The opinion is that the systems and controls provide '**substantial assurance**' (the highest level of assurance). The two green recommendations were accepted by management.

Controls are well managed but there was no **evidence** of regular checks of the Single Central Record (SCR) (even though management confirmed this did happen). Timely completion of safeguarding training was also recommended.

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

### **3.2A Internal Audit Satisfaction Questionnaires** *(previously circulated as Paper 3.3)*

The Committee noted that the revised way of working and led to improved two-way communications and more positive feedback.

***The Committee noted the satisfaction questionnaires relating to item 3.2***

### **3.3 Progress in implementing recommendations from previous audit reports** *(previously circulated as Paper 3.3)*

#### Internal Audit

Jason Mansell updated the Committee on the good progress made in implementing previous audit recommendations.

Since the last meeting, there have been 18 recommendations completed. There are currently three outstanding which are overdue:

1. Sports Central. It has been confirmed that there is no contract in place

For the next meeting, the Committee requested:

- Confirmation in writing that the Council has no issues with the current (implied) contract
- A timeline for ensuring there is a contract in place by October 2024.

**Action 1: Jason Mansell by 20 June 2024**

Jason assured the Committee that there was no risk that other contracts were not in place.

2. Mandatory Training (two recommendations).

A new platform (VinciWorks) will go live in June 2024 which will enable full reporting and compliance.

The Committee agreed a final extension to July 2024.

#### Audit recommendations not previously accepted by management

Recommendations which were reported as 'not accepted by management' at the last meeting have been reviewed and subsequently accepted and implemented. There was one exception relating to publication of the Sub-Contracting Strategy on the website as this was in place at the time of the audit.

#### External Audit / Assurance Review

All previous recommendations made by Buzzacott have been implemented.

The RSM recommendations (Item 3.1) will be added to this report for the next meeting.

***The Committee reviewed the report, noted progress, and agreed revised implementation dates where requested.***

### **3.4 Risk Management & Board Assurance** (previously circulated as Papers 3.4A, 3.4B and 3.4C)

Jason Mansell reported that since the A&R Committee meeting in November, the College's Risk Management Group (RMG) had met four times, and the minutes were circulated for this meeting (Paper 4.4C).

Matters reviewed by the RMG included:

- Campus safety and student behaviour (since mitigated)
- Fraud Risk Assessment
- Equality and Accessibility Impact Assessments
- Downgrading of the Ofsted risk following the successful inspection outcome
- Developing strategies to improve student access control

Co-opted Committee member Jasmine Fergusson confirmed that she had attended the RMG meeting in March and observed a robust process with good ownership of risk.

The Strategic Risk Register (Paper 4.4B) has sixteen strategic risks of which two residual risks are red (high impact and / or likelihood), twelve are amber (medium impact and / or likelihood) and two are green (low impact and / or likelihood). The red residual risks continue to be:

1. Risk C - Harm to students, staff, and members of the wider college community. A Head of Safeguarding is being recruited internally.
2. Risk P - Data breach and / or cyber incident resulting in a fine, data losses and reputational damage.

***The Committee recommended the Strategic Risk Register to the Board for approval***

### **3.5 College Financial Regulations / New ESFA College Financial Handbook** (previously circulated as Paper 3.5)

Susan Akhtar advised the Committee that an interim review of the College Financial regulations has been completed resulting in proposed changes to three sections:

- Section 2: Responsibility, Delegation and Monitoring
- Section 6: Purchasing and Competitive Tendering
- Appendix 1: Post Holder Titles and Groups

The extensive review of the Financial Regulations was deferred pending publication of the new [ESFA College Financial Handbook](#). As this was published in March, to take effect from 1 August 2024, the full review will now proceed.

***The Board reviewed the proposed changes to 3 sections of the College Financial Regulations and agreed to recommend these to the Board for approval:***

- ***Section 2: Responsibility, Delegation and Monitoring***
- ***Section 6: Purchasing and Competitive Tendering***
- ***Appendix 1: Post Holder Titles and Groups***

*Alasdair McWilliams was welcomed to the meeting*

### **3.6 Data Security / GDPR** (previously circulated as Paper 3.6)

Alasdair McWilliams highlighted:

- All information requests, e.g. Freedom of Information (FOI) and Data Subject Access (DSAR), have been responded to within the prescribed period. There has been a recent increase in DSARs.

- There have been no data breaches which required reporting to the Information Commissioner's Office (ICO).
- There have been two data security incidents, but no College accounts or data were compromised
- 92% of staff have completed Data Protection/GDPR training and 88% of staff have completed Information Security training.
- The new data Protection and Digital Information Bill is progressing through the parliamentary process; one of the proposed changes is to classify any information relating to young people under age 18 as 'sensitive'.
- The annual focus visit and assessment for the ISO 27001 certificate is taking place this week.
- Cyber risk continues to be one of the 'red' risks in the Strategic Risk Register. The risk is owned by Alasdair McWilliams (DPO) and Jon Wilson (Executive Head of IT) and monitored by the Risk Management Group. The ISO 27001 audit is a source of risk mitigation and assurance.

The Committee requested an expanded update on cyber risk at the next meeting.

**Action 2: Alasdair McWilliams by 22 June 2024 (and ongoing thereafter)**

The Head of Governance added that the Search & Governance Committee is overseeing an action to improve data security when circulating papers to governors (the DPO and Executive Head of IT are supporting this work).

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

*Alasdair McWilliams was thanked for attending and he left the meeting*

*Liana Sinclair was welcomed to the meeting.*

**3.7 Health & Safety: Spring Term 2023/24 (previously circulated as Paper 3.7)**

Liana Sinclair highlighted:

- There is a high level of safe working practices across the Group. All 7 areas monitored (accidents, incidents, fire/lockdown drills, student visits, policies and procedures, professional development, and compliance reviews) are RAG rated as green.
- The reported number of accidents and incidents (during the period 1/9/23 to 28/2/24) has increased compared to the same period last year (numbers in brackets). There are more students onsite, so the increase is proportionate:
  - accidents 123 (104)
  - accidents reportable under RIDDOR 0 (0). Since the report was issued, there has been one reportable incident (a broken foot).
  - Incidents 64 (92)
- Student visits 179 (153). There have been no serious accidents or incidents.
- Feedback from students is that the introduction of screening arches has made them feel safer at College.
- The College Health & Safety (H&S) Executive Group (HSSEG) has oversight of H&S.

The Committee requested that self-inflicted and self-harm incidents be reported separately.

**Action 3: Liana Sinclair by 22 June 2024 (and ongoing thereafter)**

***The Committee noted the termly assurance on Health & Safety***

### **3.8 Business Continuity Plan (BCP) (previously circulated as Paper 3.8)**

The BCP has been reviewed and the only changes relate to the contact details.

Over the next 12 months the College will undertake a BCP stress test, review BCP impact assessments with individual teams and deliver further BCP training.

***The Committee reviewed the Business Continuity Plan and recommended this to the Board for approval.***

*Liana Sinclair was thanked for attending and she left the meeting*

### **3.9 Sub-Contracting (previously circulated as Paper 3.9)**

The College's Sub-contracting Strategy, Fees and Charges Policy is published on the College website.

The College currently works with 4 providers:

- Arts 1 (performing arts) (final year).
- SOFEA (education, employability, and wellbeing programmes for vulnerable young people)
- MacIntyre No Limits (education and skills for young people with Autism, Special Education Needs and Social, Emotional and Mental Health needs)
- Walnuts Care Limited (similar to MacIntyre for autistic young people post 16 who cannot access mainstream education).

There is an effective Contracts Management Team and control processes in place as evidenced by the Ofsted inspection in February 2024.

The DfE has confirmed that the College met the sub-contracting standard for 2022/23. The next assurance review will need to be submitted by 31 July 2026.

The DfE is encouraging colleges to reduce sub-contracting and where it is used, sub-contracting should be local and meeting a local skills need (which is a consideration for curriculum planning). The Internal Auditor confirmed that the level of sub-contracting by colleges is reducing.

***The Committee received the assurance on sub-contracting***

### **3.10 Anti-Fraud and Corruption Assurance / Anti-Fraud and Corruption Policy (including Fraud response Plan) (previously circulated as Paper 3.10A and 3.10B)**

Jason Mansell highlighted:

- There are no reported instances of fraud
- There are a range of counter-fraud measures in place covering finance records, College assets, cyber-crime, theft, bribery, corruption, irregularity, and weaknesses in control frameworks.
- The Anti-Fraud and Corruption Policy now includes a Fraud Response Plan. Other counter fraud measures include the Whistleblowing Policy, Financial Regulations, Conflicts of Interest Policy and the Strategic Risk register (financial risk).

The Committee requested assurance on how students are educated on protecting themselves from fraud and other criminal behaviour.

**Action 4: Jason Mansell by 22 June 2024**



***The Committee received assurance on anti-fraud and corruption and recommended the revised policy, (including the new Fraud Response Plan), to the Board for approval.***

### **3.11 Confidential Item**

Minuted as confidential

## **CONSENT AGENDA**

***The following items were approved by consent / without discussion:***

- 4.1 Updates to the [Post 16 Audit Code of Practice 2023 – 2024](#) (previously circulated as Paper 6.1)**

***The Committee noted the updates.***

## **ANY OTHER BUSINESS**

- 5.1 None**

## **NEXT MEETING: 22 June 2024**

*Steven Connors was thanked for attending and he left the meeting*

## **PART 3**

**Confidential (minuted separately)**



Approved 22 June 2024  
Chair of Audit & Risk Committee – Richard Bartlett-Rawlings