Barnet and Southgate College Corporation
Audit & Risk Committee meeting
held on Tuesday 23rd April 2024
At 18:00 via Microsoft Teams

Governors present:	Diane Moore, Chair Thomas Streater Alex Middleton
In attendance:	Maxine Bagshaw, Director of Governance & Corporation Secretary Michael Norton, interim CFO Neil Coker, interim CEO James Russell, Interim Project Director Leisyen Cox, internal Auditors (Scruton Bland)

The meeting opened at 18:00 and was quorate.

Item	Description	Action
1	**Preliminary items** **1) Apologies for absence** Apologies were received from Adam Morley and Paul Goddard at internal auditors. **2) Confirmation of eligibility, quorum and declarations of interest** It was confirmed that the meeting was quorate with three members present. There were no declarations of interest made. **3) Requests for matters of urgent business** It was confirmed that no requests for matters of urgent business had been identified in advance of the meeting.	
2	**Minutes** 1) Minutes of the meeting held on 6th February 2024 The minutes were reviewed, and it was agreed that they were an accurate record of discussions. AGREED: to approve the minutes of the meeting held on 6th February 2024. 2) Matters arising and outstanding actions	

	Committee were happy to note the content of the progress update provided. It was noted and agreed that: • Line 3 – the report requested on IT/data/digital/cyber has been deferred to the July 2024 meeting, given current activities underway and planned by the team. This will enable a fuller position to be reported in July. Committee reminded that IT is clearly a significant challenge and that the requested report was an opportunity to give the Head of IT important 'airtime' in front of governors so that they can better understand the challenges, opportunities, priorities etc. • Line 4 – the new College Financial Handbook has been circulated. Interim CFO confirmed that he would provide a short summary for governors in the next quarter (Interim CFO, June 2024).	* *
3	**Fire Risk Assessments – Update** Interim Project Director presented his report and confirmed that this is a follow up on information provided to the Finance Committee in January 2024. He reminded that it is not a statutory requirement for colleges to undertake fire risk assessments, however BSC takes a robust approach and adopts best practice. Assessments have all now been completed with LLDD provision considered separately. Next step is to receive a campus specific action plan for each. These will be shared at the next meeting as they are due from the external consultant engaged in May 2024 (Interim CFO, July 2024). Informal feedback is that the college is in the right 'ballpark' when compared to other colleges. Intention is to action some of the informal feedback early and an example given was recommendations regarding the Gatehouse, with accommodation to be mothballed early. Intention is to complete the risk assessments periodically but not annually. The team will work through the action plans once finalised. One governor asked whether there were any issues regarding cladding, with any areas at risk of fire. Staff confirmed that there is no cladding that is a risk. The most prominent cladding on the estate is R Block and summer works are planned in relation to this. All agreed that they would expect the external consultants to identify any issues if they feel that there are any and therefore it is important to consider this when their report is received. AGREED: to note the content of the update provided.	*
4	**2022/23 Subcontracting Assurance – DfE letter dated 13th March 2024** Committee were happy to note the content of the letter and were reassured to see that there were no issues identified. Next required external review is 2026. AGREED: to note the content of the update provided.	

5	**Internal audit reports 2023/24** 1) <u>Progress against the plan for the year</u> Committee were advised that the report circulated in advance gives an overview of where the audit plan currently is for the year. Key matters highlighted were: • Two audits concluded, • One audit report provided to the college in draft, this relates to lecturer deployment and room utilisation, • Fieldwork in relation to the exams and assessment audit has been completed and the anticipation is to send the draft report to the college tomorrow. • Audit of management information has just started. The safeguarding audit which was removed from the plan this year due to an alternative external consultant review has now concluded and the report will go the next QTSE meeting. The expert was satisfied with the college's standards in place, however did make some recommendations that the college can build on and develop. Committee noted that the decision was made to replace the safeguarding audit with an apprenticeship audit, and they asked when the most impactful date would be to undertake the fieldwork. Interim CEO indicated that an apprenticeship review does not need to be tied into any specific academic year as activity continues all throughout the year. Committee noted that the fieldwork dates were 'still to be confirmed' and they pressed for further certainty in relation to this. All agreed that the sooner a date was agreed the better as the college knows that there are growth challenges and barriers to this. Committee asked whether this was more of a priority than other audits which were still not concluded. Challenge from the committee was to ensure that fieldwork was concluded and the report available before the next scheduled meeting in July. Scrutton Bland confirmed that they would suggest dates to the college tomorrow (Internal auditors, April 2024). AGREED: to note the content of the update provided. 2) <u>Staff satisfaction audit report</u> – key matters highlighted were: • Audit took place in December 2023. • It focused on the colleges processes for gathering staff feedback. • IIP review was also taking place at the same time as the audit so there may be other actions identified which sit alongside this. • Outcome of the audit was one medium and three low recommendations. • The one medium recommendation is the need for appropriate staff surveys to be planned and ensuring they are completed to plan. College should also ensure that there is a formal report to executive and an agreed response communication plan to staff.	*

	• The three low recommendations relate to: - Requirement to have better processes in place for exit surveys and exit interviews, - Staff induction - creating a checklist and clear target completion dates - Updating policies and procedures. Need for annual reviews/updates. One member of the committee asked whether the college is 'behind the curve' in relation to the number of recommendations made. Auditors confirmed that the college is slightly behind. Suggestion was a need to take the IIP review and this audit together and that now it is a matter of 'pulling everything together'. All agreed that there needed to be more control in relation to maintaining internal processes. One member of the committee asked how often surveys should be completed if the college was to adopt best practice. Auditors indicated that, as a minimum it should be annually but that some colleges also do bitesize surveys throughout the year. These can have a particular focus and allows for several touch points. Interim CEO advised that the last survey was completed when the college was in dispute with staff over pay and this will have had an impact. This survey was phase 3 of a 4 phase plan. Further surveys are planned this term as part of phase 4. College is also planning an annual college wide survey. Interim CEO acknowledged that the staff survey processes are underdeveloped and provided assurance that this is being addressed. Part of this is the recruitment of a People Officer who will have a focus on people including inductions, surveys, exit interviews etc. One member of the committee asked whether the IIP review has concluded. Staff confirmed that it has. Challenge from the committee was that they felt that the college is falling behind when looking at the benchmarking data and they asked what the plan is to get to at least benchmark. Committee asked what the benchmarking pool is, so that they could better understand whether it is statistically significant. Internal auditors confirmed that the pool is made up of 29 clients. Committee were therefore assured that it is sufficiently statistically significant. Committee asked internal auditors whether there are structural issues to address. Internal auditors confirmed that they are seeing college commitment to the agreed actions which is reassuring. There is confidence that the college is focusing on the areas to be audited where there are known to be improvements that can be made. They indicated that 'reasonable assurance', whilst not a strong opinion is not too much of a concern given that the majority of recommendations are low priority. They confirmed that their annual internal audit report will give a better idea of their view of assurance in relation to this. Challenge from the committee was that it seems the organisation knew that the structure of staff satisfaction was under review by	

	the IIP at the time of the audit and they therefore questioned whether the time of the audit was the best to avoid duplication. They asked whether the college has processes in place to respond and adapt the audit plan if required. Interim CEO expressed the view that the two audits worked well together and will give a composite not a duplicate view. He provided assurance that the college can be responsive and adaptive as required, and one example given was the safeguarding audit. In addition, college adapted the date for the exams and assessments audit because of known issues, with the college wanting to avoid just being told what was already known. Challenge from the committee was for internal auditors, in future reports, to pick out and identify issues which have been self-identified by the college/staff. This will give a better idea of the colleges line of sight on issues. Committee asked whether the college has IIP accreditation. Staff indicated that, not at this stage and that the organisation is looking to develop a plan to get to silver, gold etc. All acknowledged that there needed to be more ambition and pace in relation to this. Challenge from the committee was that they would want to better understand what is already in train in relation to any known issues. They felt like sometimes execution of actions is missing or not quick enough. Challenge from the committee was that staff should always have a 'to do' list and to think critically about their own areas to ensure accountability and ownership. AGREED: to note the content of the report provided.	
6	**Audit Actions Tracker – Progress Update** Interim CFO confirmed that there is just one overdue item which relates to the HR area. This is the requirement to ensure mandatory Health and Safety training is completed. Aim is to clear this by July 2024. AGREED: to note the content of the update provided.	
7	**Risk Management – Corporate Risk Register 2023/24** Committee Chair thanked the interim CFO for his update on this and explained that he has been able to put the document and processes 'under the microscope' which is helpful. Interim CFO advised that there are a number of aspects to consider, including: • Target risks in the risk register are very low and, in some cases, simply not achievable and therefore there is a piece of work to complete to review risk appetite. • Some of the mechanisms in place are creating too high a score which is not realistic. • Intention is to review in detail and present an update to the next meeting (interim CFO, July 2024) • Anticipation is that risks in some areas will be reduced. • Intention is to develop a risk appetite statement which will also be presented to the next meeting for discussion (interim CFO, July 2024)	 * *

	• The ten risks identified on the register seem to be the right ones, however there is more in-depth work needed in relation to scores, method of calculation, appetite etc. Challenge from the committee was to carefully consider target risks as in some cases achieving them may need overcommitment in terms of resources, time etc. AGREED: to note the content of the update provided.	
8	**MPM Monitoring Report 2023/24** Interim CFO presented his report and confirmed that there were four in year elements identified, these include: 1) Payment of two strike days – this was dealt with in 2022/23 and no subsequent actions. 2) Enfield invoice – interim CFO's view is that this should be dealt with by a credit note and is not a write off. This has been agreed with external auditors. 3) Outgoing CEO – payment in lieu of notice counts as a special severance payment. College will need to get retrospective approval and therefore there is still a regulatory risk in relation to this. 4) Approval for new CEO remuneration is still awaited and a business case has been submitted. Interim CFO provided further explanation regarding the amount invoiced to Enfield Local Authority. He explained that the college overdelivered with no agreement made with the local authority to pay. What the college cannot do is simply submit an invoice once the year has concluded, which it did on this occasion. There is college learning from this with the need to have clearer agreements in place regarding payments for the future. It was explained that the invoice related to element 2 funding only and that payment for this is based on negotiation. All agreed that it was helpful to now have greater transparency regarding the issue. Given that MPM is still a relatively new consideration for the sector it was agreed that the interim CFO would provide some staff and governor training on the common issues to be aware of (interim CFO, July 2024). 5) Subsidiary company – subsidiary company has still not been liquidated. Team is working with external auditors to finalise so that this can be concluded. It was explained that this is a very historic company that goes back to 2018 where it provided a range of subcontracted provision. This is one of several projects that have been wound down over time. Write off has been fully provided for so there will be no financial impact. Committee were advised that the new financial handbook brings in tighter rules regarding subsidiary companies given lessons learned in the sector. AGREED: to note the content of the update provided.	*

9	**Fraud, Irregularity and Whistleblowing** Interim CFO confirmed that there was nothing to report.	
10	**ICO Reportable Incidents 2023/24** Interim CFO confirmed that there were none to report.	
11	**Review of Whistleblowing Policy** Committee considered the current policy in place which is dated 24th February 2022, with a view to discussing any changes required and also the frequency of review going forward. Committee all agreed that they would want to see the executive look at this annually with a view to: • Ensuring that legislation and/or rules have not changed, • Assurance that internal processes are effective, • Summary of any whistleblowing instances in the year, • Identification of any thematic issues, • Assessment of whether there is enough of a 'speak up' culture and, if not, is there more that can be done, • Is there is a change in culture required i.e. encouraging greater transparency in relation to mistakes and then addressing them. Committee were advised that, for students there are less formal processes in place for raising concerns. Challenge from the committee was for the executive to encourage a 'speak up' culture so that eventually a Whistleblowing Policy is not needed as the organisation is always ahead of addressing any issues. All would welcome a 'call it out' culture. Interim CEO confirmed that this would be built into a number of mechanisms and examples given were anonymous surveys and safe places to suggest changes. Challenge from the committee was that it is important for SLT to own and model the view of addressing issues and concerns. Committee agreed that they would wish to receive an analysis report annually, albeit that it is not necessary that the content of the policy will change. One member of the committee asked what the current staff morale is. Interim CEO confirmed that, in general, things are positive with positive feedback received from the interim Vice Principal regarding culture, transparency levels of engagement etc. There has also been positive feedback from the safeguarding review and the matrix accreditation process. Students also speak positively about the college. AGREED: to note the content of the update provided.	
12	**Date and time of next meeting** This was confirmed as 19th July 2024 at 6pm. It was agreed to hold this meeting in person at Southgate.	

13	**CONFIDENTIAL ITEMS** It was agreed that confidential items would be recorded on a separate basis. Internal auditors, Neil Coker and James Russel left the meeting at 7.10pm. Meeting closed at 7.45pm.	