Barnet and Southgate College Corporation
Audit & Risk Committee meeting
held on Tuesday 4th February 2025
At 18:00

Governors present:

Diane Moore, Chair
Alex Middleton
Thomas Streater
Adam Morley

In attendance:

Maxine Bagshaw, Director of Governance & Corporation Secretary
Ian Rule, Interim CFO
Neil Coker, CEO and Principal
Paul Goddard, Internal Auditors (Scrutton Bland)
Stuart McKay, External Auditors (MHA)
Simon Evans-Evans, COO
Martha Stephenson, Health and Safety Manager (for agenda item 3)

Item	Description	Action
1	**Preliminary items** **1) Apologies for absence** There were no apologies for absence with all committee members present. **2) Confirmation of eligibility, quorum and declarations of interest** It was confirmed that the meeting was quorate and 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 raised in advance of the meeting.	
2	**Minutes** **1) Minutes of the meeting held on 26th November 2024** The minutes were reviewed, and committee were content that they were an accurate record of discussions.	

	AGREED: to approve the minutes of the meeting held on 26th November 2024. 2) Matters arising and outstanding actions Committee was content to note the progress updates provided in the tracking document. In relation to ongoing monitoring of fire risk assessments it was confirmed that this will now form part of the annual Health and Safety report. Committee noted the content of the two requested reports already considered by Finance Committee and interim CFO highlighted several matters. a) <u>Finance team</u> • College is almost recruiting an entirely new team. • This is evolution not revolution. • Changes have been made to roles and responsibilities. • There is no Finance Director in the new structure but there is an enhanced role which will cover most elements of the position. College is intending to test the recruitment market in relation to this enhanced role. • Recruitment is progressing to plan. • New temporary appointments are working well. • This team will now have the capacity, given the conclusion of the external audit, to improve the business partnering conversations. • Whilst there are risks associated with recruiting a new team there are also opportunities. • Permanent CFO interview date is scheduled for 14th February 2025. Search closed at the end of January. Interim CFO is planning to have conversations with the four shortlisted candidates. There were five applicants and four shortlisted for the assessment day. Expectation is that the CVs for the shortlisted candidates will be circulated to panel members within 48 hours. CEO reminded that the panel is made up of himself, Diane Moore, Dominic Abbott, Phil Harding and Diane Dimond (Deputy FE Commissioner). • College will be running a full suite of assessment centre activities. Challenge from the committee was the need to make a successful appointment on this occasion and have an individual who can join the college as quickly as possible. b) <u>Going concern</u> Committee acknowledged that discussions on this had taken place at the earlier joint meeting with Finance Committee, with MHA confirming that they have no concerns. (Martha Stephenson joined the meeting at 6.05pm)	
3	**2023/24 Health and Safety Annual Report**	

	Martha Stephenson was welcomed to the meeting and thanked for her clear and informative report. Key matters highlighted included: • Since writing the report the Health and Safety officer has resigned. This is being seen as an opportunity to review the function. • A busy year for the team. • Many activities took place and there were also lots of incidents to deal with. • College is looking to overhaul the Health and Safety offer, including roles and responsibilities. • Team can give assurance regarding the Health and Safety arrangements in place and the next step is to move to a position of excellence. • This will include reviewing all policies and processes to ensure consistency and standardisation across the organisation. • College is looking at external system options which will give greater access to data, templates etc. • Still a lot of work to be done in relation to risk assessments. College is establishing a working group to specifically look at this. This will involve identifying champions and volunteers within the organisation. COO advised that college is currently conducting a 'beauty parade' of software providers to test options in relation to systems, reporting and training. College wants what gives the best support to staff. Adam Morley advised that he has considerable experience of developing risk assessments and therefore he would be happy to support the working group. It was proposed, and agreed, that he would become the Health and Safety link governor on behalf of the board. Challenge from the committee chair was to establish a Health and Safety dashboard with key KPIs so that these can easily be monitored. COO provided assurance that the team are beginning the work required to develop. Intention is that the internal Health and Safety committee will have more of an assurance function as well as looking at what 'needs to be fixed'. It was agreed that the dashboard and KPIs would be shared with committee when developed (COO, 2025). Committee all agreed that what is important is developing a health and safety culture and mindset. One governor noted the reference to 'ISO accreditation' plans and asked what the requirements are for this and how far the college is away from successfully achieving. Health and Safety Manager advised that the team are only in the early stages of discussions and plans. Aim is to ensure a whole organisational approach, however there is the potential to stagger accreditation elements over time.	*

	One governor noted that accidents, incidents and near misses at Southgate have doubled in number, with 40 of these relating to behaviour. He asked whether there are any themes identified and any recommended actions. Committee were advised that several of the incidents referred to were fights and breaking fights up. Southgate has a high male student population as well as a high level of ESOL provision which will have influenced. College knows that there is more that it can do in relation to tutorial content, particularly focusing on any inappropriate 'macho' culture. There are potential conversations also to be had with the safeguarding team to ensure a joined-up approach. One governor noted that Middlesex University is doing a lot of work around violence and his suggestion was to try and link into their activities. AGREED: to note the content of the 2023/24 Health and Safety Annual Report.	
4	**Draft 2023/24 Audit Committees Annual Report** Chair introduced this item and reminded that it is a mandatory report in the FE sector. It is a report from this committee to board and must be submitted to the ESFA, alongside the Financial Statements once approved. She confirmed that she had been able to meet with the Director of Governance to review in detail and some suggested changes agreed. She confirmed that it follows an expected format. She confirmed that it follows and is in line with that produced in the prior year. Considering previous meeting discussions regarding the root causes for the failure to complete reconciliations, committee asked whether there is more to be included in terms of self-identification and actions taken in response to the problem. Further suggestion from the committee was to add in more detail regarding external audit recommendations and how the organisation is responding to these i.e. the work requested, how the college will address issues and how this committee intends to monitor implementation. Observation from the committee was to make sure that all elements are clear in terms of a report from this committee to the board and, if appropriate, remove anything that is superfluous. Committee debated whether to retain attendance statistics for the full board rather than just this committee and, on balance, agreed to retain as they are a statement of fact. Observation from internal auditors was that, in future years, the annual report could be more narrowly focused on the committee's areas of responsibility. Committee Chair confirmed that an updated version would be provided to her and governors was happy to delegate authority to her to approve a final version, which is then to go to the board at next meeting on 13th February 2025. AGREED:	

	a) To note the content of the draft committee annual report, and b) Delegate authority to the committee Chair to approve a final version.	
5	**2024/25 Internal Audit** 1) <u>Follow Up of implementation of previous audit findings</u> Key matters highlighted by internal auditors were: • This is the first review of the new follow up routine agreed. • There will be three occasions during the year where follow up is tested. • First review was early in the year so this may go some way to explain why there was limited progress, although the actions tested were past their due date. • Opinion is a red RAG rating with insufficient progress being evidenced. • Audit started in November, but Scrutton Bland did not receive the information requested until December and in some areas, there was insufficient engagement. • Section four provides a conclusion on the recommendations with 15 evidenced as closed, 13 still in progress, 6 not implemented and 5 where auditors were unable to conclude because of lack of evidence or engagement. • There were four audits completed in 2023/24 where action due dates had passed, and these were tested. In the main a positive position in relation to these, however more concerning are the legacy/prior year recommendations that are proving difficult to conclude. • HR Director did not engage with the review which means that there is still a long list of matters requiring evidence of implementation, some of which are medium risks relating to the HR function and payroll. • Team have reviewed all due dates to tie in with the next review planned in March 2025. • Section 6 confirms the closed/completed actions. The committee expressed concern that actions are not being completed on a timely basis. There seems to be a cluster of these in the HR area and governors therefore asked how this team are being held to account. Challenge from the committee was that they need greater assurance regarding outstanding actions and how these are reviewed by ELT. Governors asked whether ELT are being explicit enough in terms of expectations. Interim CFO confirmed that ELT are trying to up the pace on this and ensure focus, with this review being part of the arrangements. All the actions on the outstanding list will be picked up again in the next review in March. Interim CFO advised that he now has more capacity to support the auditor’s given conclusion of the yearend processes. Committee all agreed that there needs to be a real sense of urgency and accountability in relation to this.	

	CEO advised that at ELT meetings on the 1st Tuesday of every month there will be a routine discussion regarding audit actions, and this will be an opportunity to check completion. Challenge from the committee was a need to see a flow through coming from ELT to governors. Challenge from the committee was the need to really see progress by the next meeting, with the expectation that ELT will take the lead on this. All agreed that, ELT working in partnership with internal auditors is a necessary approach so that no time for either is wasted. AGREED: to note the content of the report provided. 2) Progress against the plan for the year Internal auditors advised that: • Plan is largely on track • GDPR audit work started in December but was paused at the request of the college. Proposed date for resumption is 13th February 2024. • In relation to capital projects, audit work concluded at the end of January and report will be presented to the next meeting. • Four substantive reports alongside the second follow up review will be available to committee at their April meeting. In relation to the outstanding GDPR training action, governors were advised that the training provider has been changed and therefore there is only early evidence of completion. It was noted that this is a responsibility for the HR team. 3) Internal tracking assurance Interim CFO confirmed that ELT will be monitoring at least monthly. Scrutton Bland have been commissioned to also review the external audit recommendations during the year. College now needs to establish timescales and due dates for these. Challenge from the committee was to create a sensible plan which is then shared (Interim CFO, April 2025).	*
6	**Risk Management 2024/25** Interim CFO confirmed that the register was overhauled in November 2024 and therefore limited changes since that point in time. Committee noted the reference to a 'cautious' approach to risk and asked whether there are other options that can be used. Interim CFO advised that 'cautious' is the risk appetite approach and that this identifies a target risk. Where the appetite is cautious the aim is to get the risk to the low end of the score and, if the current actions are not bringing the risk down sufficiently, then there is a need to look at other mitigating options. College will generally want to minimise the cautious risks however for some aspects there is a need to accept some risk so as to be	

	able to reap the rewards. 'Cautious' signifies the intention to mitigate down to an acceptable level. AGREED: to note the content of the update provided.	
7	**MPM Monitoring Report 2024/25** Interim CFO responded to the two questions raised at the previous meeting. He confirmed that submission of an annual report to the ESFA is not required and that colleges will wait to be asked to do this. MPM compliance is now included as part of the external audit on regularity, with any issues made known to the ESFA as they receive a copy of external audit reports. New College Financial Handbook requires key finance management personnel to be on the payroll. There is provision for temporary appointments, but this is limited to 6 months and beyond this colleges need to obtain permission. Intention is to write a letter/email to the ESFA bringing them up to date in terms of BSC's interim arrangements. This will include an explanation regarding college efforts to recruit a permanent CFO. All agreed that self-identifying the potential requirement for permission to the ESFA is important. CEO asked whether the 6 months is cumulative or individual appointments. Interim CFO expressed a view that it is cumulative and that, even if it is individual, given that he is approaching 6 months with the college, ESFA need to be notified. Committee supported the proposal to ensure ESFA are advised of the continuing need for interim arrangements and explain the efforts made to recruit to the permanent position.	
8	**Fraud, Irregularity and Whistleblowing** Interim CFO confirmed that there are no instances to report.	
9	**ICO Reportable Incidents 2024/25** Interim CFO referred to the note of data breach included within the meeting pack. He explained that it was due to human error. All agreed that the note provides a clear account of what went wrong. Committee asked what the current position is and whether there are any implications. CEO advised that the college is currently reviewing any disciplinary position, but this is unlikely and that ELT are focusing on the learning and what will make a difference. Likelihood is that there will be a formal note made on the individuals HR file but that no further action will be taken. Challenge from the committee was to do everything required to make sure that something similar does not happen again. All agreed that preventative measures are important in addition to regular staff training and awareness-raising on the risks and individual responsibility. Suggestion from one governor was to look at systems which can classify the nature of data included	

	within emails so that there are red flags in relation to personal data before the send button is pressed. It was confirmed that a letter of apology has been sent to all the parents impacted, with individuals receiving the email in error being asked to delete. Interim CFO advised that there has been a second breach identified since the report was circulated. This breach is an entirely different set of circumstances. It happened in the summer and related to a pack of information sent to a student following a subject access request (SAR). Other student data was provided in error as certain elements of the pack were not redacted. Breach has been reported to the ICO, and they are satisfied with the college's response. Interim CFO advised that there is a need to look at how the organisation responds to a SAR with a need to tighten up the policy as processes i.e. not providing more information than is required. AGREED: to note the content of the update provided.	
10	**Dates of forthcoming meetings** These were noted as: • Tuesday 22nd April 2025 at 6pm in person • Tuesday 8th July 2025 at 6pm on Teams Meeting closed at 7.10pm.	