

**College of West Anglia  
Minutes of Audit & Risk Committee  
Wednesday, 25 September 2024  
9:30am – 12.00 noon  
Remote Meeting via TEAMS**

<b>Present</b>	Ray Harding Sharon Edwards Seb Ivanov	Governor (Chair) Co-opted Governor Governor
<b>Attending</b>	Leisyen Cox Paul Harrison Rob Petto Jenny Quaif Mandy Lakey Jules Bridges	Scrutton Bland Vice Principal Corporate Services Assistant Principal Funding and Performance Head of Finance Employer Engagement Systems Implementation Manager Head of Governance

No.		Action
1	<b>Committee Members' briefing with Auditors (<i>Governors and Auditors Only</i>)</b> A confidential discussion was held prior to management attendance.	
2	<b>Apologies</b> Apologies for absence were received from Dave Clark, Vice Chair, and Russel Liddington. Claire Sutherland and Suzy Harper of RSM UK Audit LLP and Paul Goddard of Scrutton Bland also sent their apologies. It was noted that the meeting remained quorate.	
3	<b>Declaration of Interests</b> There were no items of interest declared.	
4	<b>Elections of Vice Chair</b> The committee nominated and appointed Dave Clark as Vice Chair of the committee.	
5	<b>Minutes of Meeting Held on 26 June 2024</b> The minutes of the meeting held on 26 June 2024 were reviewed and <b>agreed</b> as being an accurate record.	
6	<b>Matters Arising</b> The progress arising from the previous meeting were summarised in the progress report and all actions reported had either been resolved or, where appropriate, an update had been provided on progress elsewhere on the agenda.  It was noted that there is no audit module available within iTrent with a separate costings structure. A complex audit user guide has been provided which is not sufficient for CWA needs. Management will meet with iTrent to go through concerns and to determine how some of the reports within the user guide will work. It is thought that bespoke report writing will be required as opposed to an audit module which CWA was led to believe there was. A manager has been appointed by iTrent to support the college to correct system errors and a meeting with them will be held soon to go through our requirements. A governor suggested that we make contact with other college users of the system to see if they can offer advice and solutions to expedite resolution. It was noted that the contract with iTrent comes to an end in 14 months' time so a review is taking place of future system utilisation and requirements.  It was reported that CWA Developments is now dormant, but the college is still to obtain specialist advice on its benefit as a VAT shelter. The college has advertised to appoint an advisor so an update will be available for the next meeting of the committee to be held in December 2024.	HoF          VPCS

RSM have confirmed that they are in the process of updating their purchases and payments system notes and this will be considered but work is still in progress at this stage.

RSM

The completed items are to be removed from the table.

HoG

## 7 Risk and Assurance Progress Report

The report confirmed the schedule of internal audits planned for the 2024/25 academic year as follows:

Audit Area	Date of Audit Work	Report to committee
ALS/HNL	October 2024	December 2024
HR – Sickness absence management	October 2024	February 2025
Health and Safety	October 2024	February 2025
Learner Recruitment (including mystery shop)	December 2024	February 2025
HE Recruitment and Retention	January 2025	February 2025
Cash Flow Forecasting, Income and Debtors	February 2025	June 2025
Student attendance and retention	March 2025	June 2025
Examinations	March 2025	June 2025
Follow up of previous recommendations	June 2025	First meeting 2025/26
New Finance System	July 2025	First meeting 2025/26

The audit scope of works for each of these areas have been received and shared with responsible managers.

It was noted that an audit of green skills/capital projects would be welcome as early as possible in the 2025/26 academic year and should include an audit of contract retention to provide assurance of document retention and accurate property related record keeping. Governors were keen to move this audit area forward to this academic year and instead of deprioritising other audits we could audit this in addition. A discussion will be held with Scrutton Bland to ascertain cost and availability.

VPCS

## 8 Internal Audit Reports

### 1 Apprenticeship Recruitment and Employer Engagement

The objective of the audit was to review the employer engagement framework, including the recruitment pipeline management, the quality of management information, the efficiency of the recruitment process, the timeline from employer engagement to an apprentice enrolment and how staff across all relevant departments work together to optimise success.

At the time of the audit the college was developing and embedding a CRM (Customer Relationship Management) system and, when fully embedded, this system will enable full oversight of pre-enrolment, application activity and engagement with employers via a pipeline approach. Auditors provided a reasonable assurance (amber) opinion raising two medium, and two low recommendations to improve the performance of the system of internal controls and one added value point was proposed.

Governors raised their concern for this area of provision as apprenticeships continue to pose complications for the college to resolve. The committee were insistent that change needs to be expediated and governors were keen that the recommendations raised from the audit are acted upon, and swiftly. It was noted that the college will downgrade its self-assessment of apprenticeships from 'good' to 'requires improvement'.

The recommendations made have been accepted by management and added to the progress tracker report (covered in item 10 below).

### 2 Follow Up of Previous Recommendations

The report confirmed that reasonable progress has been made in implementing the recommendations from previous audit areas. A total of 9 recommendations have been implemented with 8 in progress/part implemented. Further progress against those remaining have been updated in item 10 below. Noting the low status recommendation around budgetary control and fixed assets governors asked if the college tags its assets when they come into use. It was confirmed that this is the case with IT assets but not necessarily the case across

other areas, but the HoF is working closely with college departments to tag new assets, and these checks have been added to month end checklists. A decision around assets that are nil value, or low value should be made to remove or continue to log, and this will be brought to the attention of financial auditors.

HoF

## 9 Internal Audit 2023/24 Annual Report

It is the opinion of internal auditors for the year ended 31 July 2024 that the college has adequate and effective risk management, governance, control, and efficiency and effectiveness processes (green status). These opinions are designed to assist the preparation of the annual report of the committee.

The report confirmed the six finalised audits in the year with four (Payroll, HR Recruitment and Selection, Estates Management, and Marketing) receiving significant assurance (green) and two (Apprenticeships Recruitment and Employer Engagement, and follow-up of previous recommendations) with reasonable assurance (amber). Auditors commented that the payroll audit was a very positive report compared to other college payroll audits which were less so. Notably the report also confirms no high-risk recommendations arising from any of the audits undertaken in the year.

Governors asked for assurance around the completeness of the single central record and the VPCS confirmed that weekly audits of the record are completed. There are some gaps with employees on long term sick who are overdue to complete safeguarding training and a couple of gaps that the HoG is chasing with governors DBS checks. .

## 10 Progress on Implementing Agreed Audit Actions

This report crosses over with item 8.2 above and includes a more recent update of the progress made against audit recommendations from internal audit work in the year. It was noted that the target date for the procurement recommendation has been moved to February 2025 from October 2024 as the date that the regulations change has been delayed. The college however is likely to still aim to update its procurement procedures well ahead of February 2025.

The team were congratulated by a governor who acknowledged the positive commentary from auditors who had complimented the due diligence work as this was seen to be the most efficient way of carrying out due diligence checks.

Another governor asked if the marketing action (41) was likely to be achieved in September 2024 given that it is almost the end of the month. The commentary in August suggested that the target was with IT to complete and since then it is likely that this has been achieved but the Head of Marketing will be asked to provide an update.

HoF

## 11 External Audit Progress Tracker

At the last meeting of the committee members asked for an update on the recommendations arising from the external audit of the financial statements for the year ended 31 July 2024. In summary there was a total of 38 recommendations made, 24 are now complete with 5 in progress to complete for the 2024/23 financial statements, and 9 that will complete post 2023/24 financial statements.

It was reported that the control observation about the sub-contractor due diligence recommendation (page 30) was correct. It was confirmed that the auditor was uncertain as to how this was formulated but all of the partners (sub-contractors) are subject to a full due diligence check on a rolling annual basis with the bulk of the checks taking place in advance of the academic year and though the procurement process is covered on a 3 year period, operational contract agreements are refreshed on an annual basis. Due diligence is reviewed on a monthly basis and aspects are refreshed by partners at various times across the year. The HoF will arrange for this area of audit to be completed much sooner in the audit plan of works for the 2023/24 financial audit of works to ensure that this is covered off earlier in the process.

HoF

A question was raised by a governor concerning the recommendation about the backlog of manual journals being approved and asked if there, and should there be, a delegation of authority (DoA) routine in place. The HoF confirmed that the management accountant reviews all the journals, and this is also reviewed through the balance sheet. The assistant management

accountants review each other's journals, but the income and complex journals are escalated to the management accountant. In terms of limits this will be something to think about as the college moves towards procuring its new finance system and will look to introduce a DoA routine.

Concern was also raised by governors about the observation made by auditors around the Off the Job training plans not fully aligning with the apprenticeship funding rules as the commentary in the report didn't indicate what was being put in place to improve the position so governors asked for assurance that this was being resolved, and swiftly. New arrangements have been put in place around Off the Job training plans that was covered in the next agenda item presented by the Assistant Principal Funding and Performance.

It was noted by governors that auditors had observed that the Tower Block had been assigned a useful economic life of 75 years and it was questioned if, as advised, this had been reviewed and considered to be appropriate. The VPCS advised that this asset had been broken down into components so whilst the building life is 75 years, the M&E (Mechanical and Electrical) is 25 years, fixtures, furniture and fittings is 10 years so further discussion with auditors is required to ascertain a realistic life expectancy of this asset.

Finally, governors recognised the observation made by auditors in the report around the manual preparation of the financial statements, noting that management had responded that it was unable to be changed for the current year but if time could be spent to resolve this it could save valuable time and resource for the team. The HoF commented that they had inherited a complex and intuitive, in some respect, spreadsheet but manual overrides are quicker than redeveloping the workbook. Some changes and enhancements have been made and these adaptations will improve the process and lesser adjustments in the financial statements this year will be a significant saving on time.

R Petto and M Lakey joined the meeting at 10.35am

## **12 Funding Assurance Report (including audit update)**

As questioned above governors asked for assurance around the Off the Job (OtJ) training improvements in response to the external audit observation made. The OtJ training plans remain a concern and the issue with these is the OtJ logs that are based on the training plans. The logs albeit vastly improved compared to last year in terms of what entries look like, eradicating bulk entries and visibility of these so that they can be managed appropriately are now in place. These logs should correspond back to the training plans and there are historic individual plans and logs that require correction and update, but this has been a big focus for the team in the 2023/24 academic year. There is the resource and capacity to turn this around, but this has highlighted the need for internal review of structure, responsibility and process to bolster and improve the efficiency of the team and streamline responsibilities.

It was confirmed that the 2022/23 ESFA funding audit conducted by PwC has now concluded with no additional funding issues identified but a few MLPs (Management Letter Points) were raised in relation to apprenticeships. It was noted that the clawback is likely to be c.£8250 but we await confirmation from the ESFA.

Income testing by external auditors for the 2023/24 financial statements continues with all funding streams concluded except for apprenticeships which is still being worked on. It was noted, unsurprisingly, that training plans have been identified as the stand-out issue.

The internal threshold for OtJ has been set at 22% to provide some margin compared to the 20% ESFA OTJ minimum policy. System developments to the CRM have been implemented to ensure more robust checks are undertaken during pre-enrolment processes to ensure training plan hours meet or exceed the DfE policy.

2024/25 enrolment is not as swift as the college would like but the benefits from historic system changes are now being realised as teams become more familiar with these as the college enters the second year of enrolment using them. In addition, peer review processes have been introduced in the apprenticeship advisor team to improve consistency and avoid delays associated with incomplete or erroneous information being passed to the enrolment team, who conduct further checks as part of their processing. These changes have positively impacted the

learner experience, as learners are able to access college systems (SmartAssessor) at the point of sign up which means that the apprenticeship can be delivered whilst the actual enrolment for the learner is completed in the background as the two processes have been divorced from each other. It was noted that further work to develop reporting and visibility of OtJ records and training reviews from Smart Assessor are imminent.

Progress moving management information (MI) from PICs to EBS has been stalled, having almost concluded this early in the summer, a structural issue was identified with how EBS had been set up in relation to apprenticeship programmes which would have caused long term challenges, so opted to resolve this prior to moving to using EBS as the apprenticeship MI system. This work is now complete, and the transition will be concluded in the next few months. The 2023/24 R014 final return will therefore be filed from PICs until absolute assurance of the accuracy from EBS can be ensured. It is envisaged that the 2024/25 R02 return (due next week) can be filed from EBS but if this is not the case then there is confidence that the R03 return in November 2024 will be an EBS submission.

R Petto and M Lakey left the meeting at 11.00am

### **13 Draft Anti-Bribery Policy**

The committee was presented with a draft anti-bribery and corruption policy for consideration. Members had read the policy and were content to **approve** the document as presented.

### **14 Risk and Internal Controls Update**

The report covered several emerging risks and control issues to bring to the attention of governors. In addition to the report the following updates were shared with governors.

The Norfolk Devolution deal has folded so there is uncertainty around AEB provision and funding.

As previously reported the ESFA had set contractual funding rules around Cyber Security assurance requiring annual health checks and the college had commenced implementing these however the ESFA have since moved away from this directive and as a result the college has reverted to its Cyber Essentials Plus arrangements and with some penetration testing.

The sector has been informed that the ESFA is to close as of March 2025 and their functions will be taken over by the DfE. At operational level it is anticipated that this will not negatively impact the college.

The Project Manager in the PSD team has resigned and more recently the Health and Safety Manager has now resigned which creates a gap in college safety arrangements until posts are filled. An external consultant has been appointed to support the college procure and implement a new finance system. A governor task and finish group will have oversight of this project and is scheduled to meet on 30 October 2024.

There are concerns with data protection and the use of AI across the college so key individuals are meeting to discuss and identify the risks, assess the advantages of new technologies, strategies and approaches. Internal Auditors commented that many of their educational clients are using AI, bespoke educational systems such as Teachermatic that help teaching staff create lesson plans, and assessments, marking etc, while systems such as ChatGPT are being locked down. The DfE are soon to release guidance for the sector around safe use of generative AI and how to keep data safe.

### **15 Risk Management Strategy**

The Risk Management Strategy has been updated for 2024-2027. Tracked changes highlighted where amendments/updates had been made. In summary changes highlighted in the document were made under point 3 as the requirements under the FE Code of Good Governance 2024 adopted by the Corporation in July 2024 have been updated. The name of the committee is now the Audit and Risk committee. Under point 19 the Impact and Likelihood coloured grid has been updated to align with the colour codes used in the heat map, specifically a lighter green for 'Low' and darker green for 'medium'. Under point 32 the heat map has been replaced to align with the new heat map format adopted by the committee and the corporation and the format of the Strategic Risk Register now adopted also replaced in appendix 1. Other minor

amendments have been made throughout the document to language and grammar. The committee will recommend that the Risk Management Strategy is approved by the Corporation at the meeting to be held on 16 October 2024.

Chair

## **16 Risk Register Review**

The risk register has been updated to reflect feedback received from the committee, the last Finance and General Purposes committee meeting, Governors' Strategy morning held in June 2024 and the Corporation meeting held in July 2024. The associated heat map has also been updated to reflect the current risk position.

At a glance the number of critical risks (red) has increased from 3 to 4 between the months of June and September. There is also an increase in the number of major risks (amber) which has moved from 5 to 6 but decreased in the moderate zone (dark green) from 10 to 9.

It was noted that risk R006 has been removed and at the request of the committee Risk R023 that identified the Tower Block Roof works has been used and modified to reflect the broader risk to the college for all capital works.

Two emerging risks have been added to the register (R025 and R026) covering the failure to deliver EBITDA improvement threatens longer term viability (R025) and change in political landscape inhibits opportunity and increases threat to delivery (R026).

Governors were content with the risk movement reported.

## **17 GDPR / DPO Report (inc. FOI / SAR & Whistleblowing)**

This is the first report to the committee covering these topics and will be a standard agenda item for each meeting.

### *GDPR*

The college has contracted the services of the DPO Centre to support the college on its journey to compliance. A compliance review has been completed that found good data protection practice across the college but identified a number (156) of recommendations to make to reach an acceptable level of compliance. The report summarised the findings of the review and confirms the current level (51%) as 'requires improvement'. The aim is to achieve a 'good' level of compliance (80+%) within the academic year and this report will provide governors with an update on progress against our journey. There are 55 high recommendations that need to be considered without delay, 99 medium recommendations that need to be considered within the next 3-6 months and just 2 low recommendations that can be considered over time. The HoG will work with key CLT managers and colleagues to positively progress the action plan.

Since 1 January 2024 there have been 11 breaches reported to the DPL (Data Protection Lead). None were reportable to the ICO (Information Commissioners Office).

### *FOI (Freedom of Information)*

The HoG has handled 16 FOI requests since 1 January 2024 compared to 10 requests handled in the previous 12 months (1 Jan 2023 to 31 December 2023). Two further FOIs have been received since writing the report. All FOIs have been satisfied within the 20-working day timeframe.

### *DSARs (Data Subject Access Requests)*

2 DSARs have been received since 1 January 2024. Both were responded to within the one-month timeframe.

### *Whistleblowing*

The active case that was under investigation at the last meeting of the committee has concluded that the allegations made would not be upheld. No appeal against this decision was received and the case is now closed.

## **18 Review of Contracts Register, Waivers and Debt Write-Offs**

The committee considered the content of the report, and it was highlighted that bad debts have been added to the content which are notably low. Governors confirmed that they wished to

continue to receive both appendices showing the contracts added in the period greater than £10k, and those that are active greater than £10k. Where contracts overrun past their contract period it was confirmed that these are monitored by the procurement team who keep track of all purchase orders which helps to reduce the number that may be due to expire or overrun.

## **19 Any Other Business**

There were no other items of business.

## **20 Chair's Items for Briefing to Corporation**

- Dave Clark was appointed Vice Chair of the committee.
- An audit of green skills/capital projects will take place this academic year and will include an audit of contract retention to provide assurance of document retention and accurate property related record keeping.
- The audit of apprenticeship recruitment and employer engagement received a reasonable assurance (amber) opinion. Management have accepted the recommendations made and the committee has this in focus to keep under review.
- The committee continues to keep apprenticeships on the agenda as a key focus area for improvement.
- The 2022/23 ESFA funding audit conducted by PwC has now concluded. The clawback is likely to be c.£8250 but we await confirmation from the ESFA.
- The committee approved the new Anti-Bribery and Corruption Policy.
- The DfE are soon to release guidance for the sector around safe use of generative AI and how to keep data safe. This will inform the colleges AI strategy.
- The corporation is asked to approve the updated Risk Management Strategy.
- A GDPR compliance audit has been completed confirming the current level (51%) as 'requires improvement'. The aim is to achieve a 'good' level of compliance (80+%) within the academic year and the committee will receive regular updates on progress
- FOIs (16) and DSAR's (2) have all been responded to within the required timeframes and the whistleblowing case concluded with the allegations not upheld.

## **21 Date and Time of Next Meeting**

Wednesday 4 December 2024 at 9:30am (Meeting Room, Principal's Suite, KL)

Chair

Meeting ended at 11.35am