

Minutes of the meeting of the Inspire Education Group (IEG) Audit Committee (AC) held remotely (online) at 1630 hrs on 19 September 2023.

Present	Tony Keeling (Chair)	Martin Ballard		
In Attendance	Joanne Ulyatt (Governance Director)	Lee Glover (Haines Watts)	Louise Perry (CFO)	Ed Thomas (COO)
	Claire Sutherland (RSM)			
Apologies	Rachel Nicholls (CEO)	Qun Yang	Gillian Beasley	

1/23 ELIGIBILITY, QUORUM, DECLARATION INTERESTS AND MEMBERS

- a. Apologies were as noted.
- b. No notice had been received of any Member becoming ineligible to hold office, the meeting was quorate and there had been no unregistered interests declared.
- c. There were no requests for urgent business.

2/23 STANDING ITEMS

- a. Minutes from the last meeting held on 22.06.23 were confirmed for signature. **(Action 1)**
- b. There were no matters arising. Actions from the previous meeting:

See referenced minute for full action.		Resp
Action 16	39/22a Minutes of last meeting (30.03.23) confirmed for signature	Complete
Action 17	40/22c Governors requested cyber security risks extracted from Risk Register and added as an appendix to the Cyber Security Report outlining actions in near to medium term to address staff training issues with phishing emails.	Nov Meeting
Action 18	42/22a To look into adding Validera Sector Updates to the new portal if possible	Ongoing
Action 19	42/22f(c) Dashboarding of Audit Recommendations Tracker requested by governors	Nov Meeting
Action 20	45/22 Re-appointment of RSM as external auditors for a term of 3 years with an option to extend by 2 years recommended to the Corporation Board for approval.	Complete

- c. No training undertaken was noted.

**The information was received and noted;
 Actions had been noted. (Action Register at end of document).**

3/23 APPOINTMENT OF CHAIR/VICE CHAIR

TK had previously been approved by the Corporation Board as Chair of the Audit Committee. Vice Chair was to be elected but this was deferred given the apologies for the meeting.

The information was received and noted.

4/23 GIFTS & HOSPITALITY ANNUAL REVIEW

The register was presented with only one small gift noted that was below £50 value.

The information was received and noted.

5/23 EXTERNAL AUDIT PLAN 2023/24

- a. The report was presented, focusing on risks and key changes, and highlighting the impact of reclassification in November 2022 on regularity work and the Managing Public Money framework.

- b. Significant points were highlighted with some pages looking slightly different to previous years due to new auditing standards that are applicable.
- c. Page 8 onwards expands upon risks and work to be done in respect of them, including income recognition, interrogating learner data, management overrides of internal controls, and focused testing on completeness of other income. LGPS is a significant area of focus purely because of the range of estimates in the assumptions. Page 10 notes the impact on regularity work as a result of reclassification to public sector; a number of areas previously out of scope are now in scope such as novel, contentious or repercussive transactions, and any special severance payments within certain parameters. No problems are envisaged based on initial returns to the ESFA but nevertheless work must be planned to cover this.
- d. The Emerging Issues document was shared for information.

The information was received and noted.

*The Committee **approved** the audit plan and fees.*

6/23 INTERNAL AUDIT

a. 2022/23 Internal Audit Progress Report

The IA Progress Report was presented, noting positive performance indicators. Client satisfaction surveys had received positive feedback with two comments provided.

b. Annual Report

The annual report was provided in the usual format with all audits complete except for the follow up review. All reviews were completed within the approved budget and a list of reviews undertaken and the resulting opinions was noted. Overall, in the opinion of the internal auditors, IEG has adequate and effective risk management, governance, and control processes.

**c. Block 3 Final Reports
Key Financial Controls**

- a. The report was presented with an Adequate overall opinion and several areas for improvement to ensure controls are operating as intended. All actions were accepted by management and responded to positively.
- b. The drivers' checklist was discussed and governors were advised that this is low risk, mostly relating to Apprenticeship assessors going from business to business. IEG has a fleet of cars and so consequently they only use their own cars in exceptional circumstances. The total mileage claims for the whole of payroll is relatively low, circa two thousand
- c. Most college credit cards have now been removed and replaced with one in each Finance office, and a pre-approval form is used so that purchases are made within the Finance Team in situ. This has reduced the risk of not having receipts and no significant problems were identified. There are no systemic issues in this regard and the removal of credit cards removes an avenue for fraud risks.

Business Continuity

- d. Overall assurance for this review was Substantial. LG noted that there were some errors in the copy provided and it was still recorded as draft; LG to send the final version to the Governance Director to upload in its place. **(Action 2)**
- e. Two recommendations had been responded to positively by management to ensure IEG is suitably resilient. The recommendations are being taken forward over the next couple of months. Over the last 3 years IEG has experienced two lockdowns, one bomb scare and one cyber hack and the response to all has been really good; the teams continue to hone and test the business continuity plans and they have been tested through these real scenarios.
- f. Planned desktop drills were discussed; following Prevent training earlier in the year there are plans underway to practice various scenarios.

HR Report & Action Plan

- g. The review was undertaken as an Advisory piece with no opinion expressed. Management recognised that there was work still to be done on HR post-merger so this was intentionally done on an advisory basis to bring working practices together. All recommendations had been responded to positively by management and an action plan is in place to see these changes through, with a real commitment to addressing the issues.

Most recommendations are quite straightforward to implement but important to do. A benchmarking survey in terms of iTrent functionality had been drafted but not yet complete as it was too late in the academic year to secure a strong response rate; consequently, this will be released early next month.

- h. The recommendations are to be pulled into the tracker.
- i. Expenses and absence of receipts that are still paper based were discussed; a system brought in on merger has not yet been enacted but the team are working with the software providers and now have a full plan in place to get all modules up and running. The COO is pushing progress forward.
- j. In terms of post-implementation plans to ensure impact, this will be reviewed within the follow up.
- k. LG reiterated that management were well aware of the issues and the purpose of this report was to bring it all together, flag areas where a deeper dive was needed, review iTrent implementation and deliver an action plan to pull everything together.

d. Draft IA Audit Plan 2023/24

- l. Following discussions with management, and reflecting back on discussions held at Audit Committee over the previous year, review and analysis was complete and an updated strategy proposal was presented, with committee members invited to give further input. The HR advisory piece and actions arising will be followed up in routine follow up work so this was not scheduled for specific review in 2023/24 but would come around in 2-3 years when actions would be more embedded.
- m. There was no need for a separate subcontractor review this year subject to no significant changes.
- n. UCP audit areas were highlighted for visibility.
- o. Governors indicated that they were content with the plan, but noting that cyber security sat separately but does bleed into Business Continuity so requested that IAs ensured that they connected.
- p. Governors were reminded that whilst approving the plan for the year, they do have the opportunity to direct auditors throughout the year to any other areas that may emerge in-year.
- q. Governors queried scope of the IA Strategy in terms of ESG; the ESG strategy is not yet well developed and is to be worked on this year. Colleges are generally a little behind the curve in embracing this but IEG is among the forefront of colleges completing the Carbon Streamlining Report. ESG is not in the audit plan for the next 3 years and it was noted that it maybe should be included but not this year. COO and CFO to note at next meeting when a sustainability plan linking to the overall corporate strategy is likely to be written, and LG to consider what an audit description might look like and when they would propose to carry it out in order to incorporate it into the forward plan. **(Action 3)**

The information was received and noted.

Actions had been noted. (Register at end of document).

7/23 ANNUAL FRAUD REPORT

- a. The report was provided, effectively presenting a summary of all fraud recognised over the last 15 months. There had been no significant instances of frauds in the organisation, but there had been some minor staff and student frauds, including theft.
- b. Most interestingly there had been a couple of attempts through the Finance Team to get bank details changed via email phishing, all of which had been successfully stopped through the standard controls and approvals processes.
- c. A summary of statistics relating to cyber-attacks on the Group was included, displaying an increasing trend. Cyber Security training is mandatory for all staff. The Finance Team undertake extensive training opportunities to ensure they remain cognisant of trends around fraud. Cyber training packages and responses to emerging threats around fraud are continually evolving, including the use of targeted and personalised phishing campaigns as training tools.

The information was received and noted.

8/23 ANNUAL REVIEW OF GDPR & FOI

- a. An annual report was presented noting that the pressure in terms of FoI requests and GDPR is mounting. 8 FoI requests had been received in the prior year compared with 12 this academic year, including some very large and time-consuming requests. All requests had

been answered, none were refused and all responded to within timeframes. Requests 3 and 9 were discussed in further detail.

- b. In terms of data breaches there had been one reportable but low risk breach which was reported to ICO but no action was taken; the individual had rang IEG on a blocked number and numerous attempts to trace her to follow up had been unsuccessful, and the ICO was satisfied that IEG had done everything possible to try to resolve the matter.
- c. Governors suggested that going forward the narrative should note whether all requests were completed within the mandated timescales; report to be updated (**Action 4**)
- d. Some training with the teams most likely to receive requests is planned to ensure they are aware that they must be forwarded to the DPO.

The information was received and noted.
Actions had been noted. (Register at end of document).

9/23 POLICY REVIEWS

- a. The Risk Management, Anti-Bribery and Modern Slavery policies were presented, having all been reviewed internally. Aside from administrative changes, all three policies were deemed fit for purpose and were accepted as submitted.

*The Committee **recommended** the Risk Magement Policy, Anti-Bribery Policy and Modern Slavery Policy to the Corporation Board for approval. (**Action 5**)*

The information was received and noted.
Actions had been noted. (Register at end of document).

10/23 URGENT BUSINESS

None requested.

The information was received and noted.

11/23 DATE OF NEXT MEETING: Tuesday 28 November 2023 (Remote)

Governors noted that the meeting had a good dynamic and that it was smart, well-structured and carbon saving, etc. It was suggested that Audit Committee routinely operates remotely and that the Chair would propose remote committee meetings where appropriate to the Corporation Chair (**Action 6**)

48/22 ITEMS AUDITORS WISH TO RAISE

None.

ACTION REGISTER

See referenced minute for full action.		Resp	Date
Action 1	2/23a Minutes of last meeting (22.06.23) confirmed for signature	GD	wie
Action 2	6/23d LG to send the final version of the Business Continuity Report to swap into the Audit Committee pack	LG	wie
Action 3	6/23d(q) COO and CFO to note at next meeting when a sustainability plan linking to the overall corporate strategy is likely to be written, and LG to consider what an audit description might look like and when they would propose to carry it out in order to incorporate it into the forward plan	COO/CFO & LG	28/11/23
Action 4	8/23c Annual review of GDPR and FoI to be updated to note whether all requests were completed within mandated timescales	CFO	wie
Action 5	9/23 The Risk Management, Anti-Bribery and Modern Slavery Policies were recommended to the Corporation Board for approval	GD	31/10/23
Action 6	11/23 Chair to propose remote committee meetings where appropriate to the Corporation Chair	TK	wie