

## Audit & Risk Committee

Minutes of the meeting held on 18 March 2021 at 10am via Microsoft Teams

Present: Paula Cole, Phil Lanigan (Chair) and Malcolm Sugden

In Attendance: Rob Cressey (Group Finance Director), Jennifer Foote MBE (Company Secretary & General Counsel), Alex Hire (RSM), Angela Hunter (MD Group Operations and Deputy CEO), Kate Mackenzie (Deputy Company Secretary and Solicitor), Sally Marchant (Group SHE and Risk Director), Lisa Randall (RSM) and Caroline Wilson (Senior Financial Accountant).

Gina Steele (Deputy MD TP) for Minute No 04/20

*Rob Cressey asked the Committee to note that his brother in law was a Partner at RSM. It was noted that this was the first meeting of the Committee since the resignation of Paul Candulent due to work commitments. The Committee acknowledged his invaluable contribution.*

### Part A

|       |   |
|-------|---|
| 01/21 | <p><b>Part A Minutes of the meeting held on 19 November 2020</b></p> <p>The Part A Minutes of the meeting held on 19 November 2020 were approved as accurate to be signed by the Chair in electronic form.</p>  |
| 02/21 | <p><b>Internal Audit Reports (RSM)</b></p> <p><b>Internal Audit Progress Report</b></p> <p>The Committee received the Internal Audit Progress Report Update 2019-20. The plan was on track save for two changes which has arisen subsequent to the last meeting. The changes as a result of timing issues and change to audit scope were articulated and the revised timetable was endorsed.</p> <p><i>Malcolm Sugden joined the meeting.</i></p> <p>The Committee requested an update on the progress in respect of Cyber Security controls (Minute No. 32/30 refers). A review of implantation dates was in train and a risk based approach aligned to CapEx challenges was detailed. The Committee was assured that management actions were being monitored closely by the Director of IT and reflected in the local IT risk register. The Committee challenged on the date for resolution and the Committee was given assurance of the work in train with a renewed confirmation that heightened vulnerability was not perceived to be in issue. The Committee requested that a further update be provided at the next meeting in June when budget planning would be well advanced. It was directed that the Director of IT be present at the next meeting to provide a detailed update.</p> <p><b>Health and Safety Framework Advisory Review</b></p> <p>The Committee received an advisory report on the Group's health and safety framework. It was noted that this review had been commissioned to evaluate and</p> |

|                     |   |
|---------------------|---|
|                     | <p>support the Group's ongoing development of health and safety activities and policies. The Committee understood that the Group had in place an established SHE framework, designed to manage compliance with internal and external health and safety policies, regulations and legislation and support incidents and accidents across business areas. The agreed management actions and implement dates were shared.</p> <p><b>Follow Up Part One</b></p> <p>The Committee received and discussed the Internal Audit Follow Up Report Part One for 2020/21. The Committee was assured that 'good progresses' had been made in the implementation of agreed management actions and the impact of Covid-19 on a number of actions had been taken into account. The revised implementation dates in respect of management actions were received together with assurance that the actions would be completed in line with the revised timeline.</p>   |
| <p><b>03/21</b></p> | <p><b>Progress Against Internal Audit Recommendations</b></p> <p>The Senior Financial Accountant presented the Internal Audit Progress Report. Since the report in November 2020. There were thirty three outstanding actions of which nineteen had been added since the last report. The Committee was informed that of the outstanding actions there were no 'high' level actions, seven 'medium' level actions, five 'low' level actions and eleven 'advisory' actions.</p> <p>An update was provided on the progress of the outstanding actions and it was confirmed that a number of actions had been impeded due to the impact of Covid-19. Of the seven 'medium' level actions five had deadlines extended with four of them paused due to Covid-19. The remaining three actions all related to cyber security.</p> <p><b>Subcontracting Controls (Total People)</b></p> <p><i>Gina Steele joined the meeting for this item.</i></p> <p>With reference to Minute No. 32/20 and for assurance the Deputy MD Total People presented to the Committee an update of the subcontracting arrangements operated by Total People. A new Director had been appointed to manage the partnership team and the change in line management had brought a different approach with a stronger emphasis on compliance and contract management having been evidenced. Of the thirteen actions identified by the audit eight had been completed with the remaining five having been commenced but still ongoing. The Committee tested the confidence levels aligned to student progress. Good visibility was confirmed aligned to the reporting mechanisms in place. The full impact of the revised framework and approach would be evidenced after a full 12 month roll out.</p> |
| <p><b>04/21</b></p> | <p><b>Fraud Register</b></p> <p>The Committee received the update of the Fraud Register for the year 19/20. A near miss was reported to the Committee and the detailed investigation report together with remedial recommendations were noted. The Committee was content that appropriate investigation and follow up had taken place and that with the implementation of actions in the report the internal control environment was robust. The Committee recognised that the controls in place had prevented an incident and further requested that it be kept informed of implementation work and gave a steer that the introduction of manual authorisation into the process should be given consideration.</p>   |

|  |   |
|--|---|
|  | <b>RESOLVED</b> that as the items to be considered are deemed confidential, the Committee move into confidential session. |
|  | <p>-----<br/><b>Chair</b></p> <p>-----<br/><b>Date</b></p>  |