AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the hybrid meeting held on 3 October 2022 at 4.40pm

Present physically:	R Inman, Chair	
Present virtually:	J Wakelam, Vice Chair	R Murray
	M Whittingham	
In attendance:	A Brewster, Finance Manager	
	A Lynch, M+A Partners	
	C Shepherd, FA Risk	
	J Raffel, CFO	
	M Chatt, Deputy CFO	
	N Savvas, CEO	
	S Gales, Governance Professional	
	S Graham, CPO (part)	
Apologies:	A Maltpress	
	F Shippam, M+A Partners	
	G Grainger, CIO	
	G Kerkham, Larking Gowen	

		Action
1.	**Appointment of Chair and Vice Chair** The Committee recognised Roger Inman as the Chair and Julia Wakelam as the Vice Chair of the Audit and Risk Management Committee for 2022/23, as appointed by the Trust Board at their meeting on 14 July 2022.	
2.	**Declaration of Interests and Apologies for absence** J Wakelam declared her role as a Governor of West Suffolk College. No other conflicts of interest in relation to the items of the agenda were declared. Apologies were received from A Maltpress, F Shippam, G Grainger and G Kerkham.	
3.	**Minutes of the meeting held on 20 June 2022** The minutes of the meeting on 20 June 2022 were **agreed** as an accurate record.	
4.	**Matters Arising from meeting on 20 June 2022** All matters arising from the meeting were complete, though additional work is in progress to implement the reporting the relationship of time within the Risk Register.	FA Risk
5.	**Committee Terms of Reference and Skillset** Trustees received and considered the Terms of Reference and Committee Skillset provided. Trustees discussed the 'personal attributes' section of the Committee Skillset and agreed to amend clause 2 to as 'read materiality and risk' and clause 3 of to read as 'commitment to improve own and the Committee's effectiveness and take up relevant training opportunities'. Trustees discussed the 'responsibilities' within the Terms of Reference and clause 7 and asked the Governance Professional to schedule reporting of anti-fraud, corruption, theft, bribery and whistleblowing policies and procedures. Trustees also discussed clause 8 and agreed this clause should be included within the Finance Committee's remit. Trustees also discussed clause 9 and queried whether there was sufficient oversight of the financial policies and controls, and noted that the Financial Regulations are recommended by the Finance Committee for approval by the Trust Board.	Governance Professional Finance Committee

	Trustees **approved** the Terms of Reference and Committee Skillset, subject to the amendments above.	Governance Professional
6.	**Risk Management Update** There are currently **3 red, 6 amber, 7 yellow** risks on the register. 2 new risks (R037 and R038) have been added to the register and 1 risk (R016) has been removed.	
	Trustees discussed R037 (relating to implementation of Health and Safety recommendations at ASFC) and asked the CEO and D Gartland to investigate and report back to the Committee.	CEO D Gartland
	Trustees discussed R038 (relating to rising cost of living leads to pressures) and the CFO outlined the scale of this issue across the Trust. The CEO noted that this is a national issue affecting the sector and that there are very few controls we can implement as the Trust is tied to national pay negotiations. Trustees noted concern however agreed that we await the outcome of the pay negotiation. Trustees discussed whether there are/will be associated staff retention concerns and noted the Resources Committee will review this.	
	Trustees discussed R030 (relating to loss of access to key systems due to malicious attack or illegal activity) and queried if this is a specific risk to the Trust or is a more generic sector-wide risk. C Shepherd outlined the risk and Trustees agreed oversight of this risk is monitored by the Resources Committee.	C Shepherd
	Trustees discussed R035 (relating to the intranet) and asked J Robson to provide a paper outlining why this risk is increasing.	J Robson
	Trustees noted that all the red risks are 'operational' which indicates we are well positioned to mitigate these risks.	
	Trustees discussed R028 (relating to related party transactions) and noted that whilst we have received ESFA approval for 2022/23, approval will need to be sought for 2023 onwards and therefore it is prudent for this risk to remain on the register.	
	Trustees discussed the proposal for a Risk Appetite document and noted that this will be developed by the Trust Board in January 2023.	
	The Vice Chair to feedback additional comments on the Risk Register to C Shepherd.	Vice Chair
	The CFO presented the proposed new design for the Risk Register and outlined the key changes. Trustees queried whether it is necessary to have a 'end date' for each risk and whether this should have an 'if applicable' option. Trustees **approved** the concept and asked the Executive to fully populate the design and circulate to the Committee.	FA Risk
7.	**Audit Recommendations Tracking Report** Trustees received and considered the summary report provided. J Raffel summarised the progress on the recommendations, of which 4 are complete and 12 remain ongoing.	
	Trustees discussed the recommendation relating to the need for a Trust-wide contingency and business continuity plan; and discussed given the extensive Group operations whether it would be more appropriate to have a Group-wide contingency and business continuity plan. Trustees asked the CFO to consider and report back.	CFO
8.	**Internal Auditor's Findings Report** **i. Review of Internal Controls: Risk Identification and Reporting** Trustees received and considered the internal audit which took place in September 2022 and received **full** control design assurance and **substantial** control effectiveness; with 13 recommendations (1 moderate and 12 minor).	

A Lynch summarised the findings and recommendations. Trustees **agreed** with the recommendations and asked the FA Risk to meet with SET members each half-term regardless of whether the SET member currently has risks, to enable the identification of new risks. | FA Risk

A Lynch and J Wakelam left the meeting, and S Graham joined the meeting at 6.12pm

9. GDPR Update

Trustees received and considered the report provided. The CPO noted that since the previous update, there have been 6 GDPR data breaches of which 3 were at ASFC and 3 were at OSFC (all of which have been investigated and any actions required have been carried out), 1 Data Subject Access Request at OSFC (which was responded to within the legal time frame) and 2 Freedom of Information requests (which was responded to in three weeks).

Trustees queried the number of instances at ASFC given its relatively smaller size compared to OSFC, and whether this is a cause for concern. The CPO noted that this is likely due to the newness of ASFC and noted that the reporting of breaches is a positive sign in so far that staff are aware of the correct procedure and take proactive steps to report issues when they occur.

10. Any Other Business

- **Next meeting**

The Chair noted that he is unable to attend the next meeting and asked if either the meeting could be rescheduled or if the Vice Chair could lead the meeting. | Governance Professional

The meeting closed at 6.16pm