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**Minutes_Audit Committee_190422.pdf**

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Katherine Causey	One-Time-Password	2022-07-04 10:13 GMT+02



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Audit Committee

Tue 19 April 2022, 17:00 - 18:30

MS Teams



Present: Kath Causey (Chair), Susan Snape (Vice Chair), Pauline Hunter (Co-Opted Governor), Hayley Mercer (Governor)

In attendance: Joanne Platt (Clerk to the Governing Body), Steve Scott (Finance Director), Louise Brown (VP Corporate Services), Dave Harrison (Vice Principal Data and Funding), Jonathan Creed (ICCA)

The meeting was quorate.

Meeting minutes

1. CONSULTATION WITH AUDITORS

AC22-04-01

The Chair introduced new Governors Susan Snape and Hayley Mercer to the Internal Auditor and explained for their benefit that this was an opportunity at the start of each meeting, to ask the auditors any questions without management being present. No questions were forthcoming.

Jonathan Creed confirmed that arrangements and relationships were working well and that he has no concerns to report to the Committee.

2. Apologies for absence

AC22-04-02

Apologies for absence were received from Helen Culshaw (ICCA), Scott Gillon and Rory McCall (Wylie and Bisset).

3. Declarations of Interests

AC22-04-03

Jonathan Creed declared an interest in Item 9 and left the meeting before the item was considered. Pauline Hunter declared that she works at Salford University and as such is a partner in the Institute of Technology (referenced under Item 7).

4. Minutes of the previous meeting and matters arising

AC22-04-04

The Committee considered the minutes of the meeting held on 17 November 2021 and approved them as a correct record for signature by the Chair. There were no matters arising.

RESOLVED: the Committee approved the minutes of the meeting held on 17 November 2021.

5. Internal Audit Reports



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The Committee considered a report on the outcome of the Risk Management Audit, carried out in line with the Internal Audit Plan 2021-22, which included a high-level review of the College's risk management systems, processes and controls. As a result of the work carried out, the Committee noted that the auditors have provided a Substantial Assurance rating, stating in their report that the areas of the control environment tested during the audit are designed and operating effectively with no significant weaknesses. There were no recommended actions.

The Committee noted that in comparisons to other colleges, the College's approach to risk management is deliberately 'process lite' but culturally strong, highly focussed on the Executive Team, with a strong line-management ethos and a culture of communication, underpinned by clear policy, process and structure.

The Auditor was impressed by the commitment to risk management demonstrated by the Executive Team, which showed strong leadership and an embedded approach.

Governors commented that the way the risk register was presented to them was easy to understand and agile, with changes being reflected and reported appropriately as the need arises. Governors said that they like the approach adopted by the College, noting that all members of the Executive Team take ownership of all risks and not just those in their area.

The Committee noted the report.

5.2. Progress against the Internal Audit Plan - verbal update**AC22-04-06**

The Committee received a verbal update on progress in delivering the Internal Audit Plan for the current year, noting that everything was on schedule for completion by the end of the academic year.

Reports on the audits in relation to Additional Learning Support and High Needs Students and IT Data Security and Disaster Recovery Arrangements will be brought before the Committee at its meeting in June.

Reports on the outcome of the Mock Funding Audit and the post review of the new financial system will be brought before the Committee's first meeting of the 2022-23 academic year.

The Chair thanked the auditor for the assurance.

The Committee noted the update.

6. Audit Implementation Tracker**AC22-04-07**

The Committee considered a report which provided an update in relation to the implementation of audit recommendations.

It was noted that all actions to address recommendations are now complete, with the new financial system going live on 1 February 2022, which was welcomed by the Committee.

The Committee noted the report.



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The Committee reviewed the risk plan for 2021-22 which has been updated to reflect the current year's strategic outlook. It was noted that the plan is reviewed regularly by the Executive and an update reported to the Committee at each of its meetings.

The Committee noted that since the last report, there have been no new risks identified, no risks have been removed and there have been no increased risks. The scores for nine risks (Risks 4, 7, 8, 9, 10, 11, 12, 13 and 14) remain the same as previously reported and the scores on a further seven (Risks 1, 2, 3, 5, 6, 15 & 16) have decreased.

The Committee noted that risks score were typically higher at the start of each year, and then tended to reduce with mitigating actions. However, the risk scores relating to cyber security and GDPR remain high and are of particular concern within the sector generally.

The Committee was advised that additional cyber security and GDPR training had been provided for both staff and Governors since the start of the term and a simulated phishing campaign had taken place, underpinned by additional training as required.

The Committee was pleased to see that measures are in place to mitigate these two high risks.

In response to a question from a Governor, it was confirmed that the impact score for cyber security was correctly rated as being the same as for GDPR, as a failure to comply with GDPR can result in significant fines for the College in addition to reputational damage.

The Committee once again noted that there has been some reportable data breaches this year compared to none the previous year, which are thought to be attributable to staff and students returning to site and needing to re-familiarise themselves with the protocols in relation to working securely in an open office environment. However, none of these had resulted in action being taken by the Information Commissioner's Office (ICO).

It was noted that a lot more IT resource was currently being put into addressing these risks and that to date, the College has not had a serious issue, unlike others in the sector.

Governors noted the changes being made to address cyber security risks and the Clerk thanked Governors for their perseverance with the Board Portal and the transition to college only email addresses, which were actions taken to mitigate this risk.

The Committee noted the report.

8. Annual Anti-Fraud Report (including Statement on Gifts and Hospitality)

AC22-04-09

As part of its remit to monitor incidences of fraud, the Committee considered the Annual Anti Fraud report, noting that there have been no known instances of fraud at the College during 2020-21 and that no gifts or instances of hospitality had been registered in 2020-21.

In response to a question from a Governor, it was confirmed that staff are required to make declarations of any gifts and hospitality in accordance with the Financial Regulations, which are published and available to all staff on the Intranet and College website. In addition, reminders of the need to comply with the policy are given to managers at meetings of the College Management Team.

The Committee noted the report.

Jonathan Creed left the meeting at 5.40pm

9. Timeline for the re-tendering of the Internal Audit Service

AC22-04-10

The Committee considered a report in relation to the tendering of the Internal Audit Service, noting that the existing contract comes to an end at the end of July 2022.

It was noted that the timeline for the tendering process had been approved by the Chair of the Committee earlier in the year, to avoid any delays in awarding the contract.

In response to a question from a Governor, it was confirmed that four tenders had been received.

The Committee noted that a report on the outcome of the tendering exercise will be brought to the Committee at its meeting in June, when the Committee will be asked to recommend an appointment to the Governing Board.

In light of this, it was also noted that the Internal Audit Plan for 2022-23 would be brought to the Committee's first meeting of the 2022-23 academic year instead of to the June meeting.



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The Committee noted the report.

10. Audit Committee Terms of Reference

AC22-04-11

The Committee considered a report proposing revisions to its Terms of Reference. It was noted that the Post 16-Audit Code of Practice requires the Audit Committee to ensure that there is a policy in place for the regular tendering of the external audit service and that it was becoming common practice in the sector for this requirement to be addressed by adding it into the Committee's Terms of Reference, rather than developing a specific policy.

Accordingly, the Committee's Terms of Reference have been revised to accommodate this and the Committee accepted the changes and agreed to recommend them to the Governing Board for approval in accordance with the College's Scheme of Delegation.

RESOLVED: the Committee accepted the changes to its Terms of Reference and agreed to recommend the revised Terms of Reference to the Governing Board at its meeting on 22 March 2022.

11. Any other business

AC22-04-12

Pauline Hunter asked if there are any plans to bring face to face meetings of the Committee back, now the risk from COVID had reduced. It was confirmed that the Governing Board had agreed that meetings of the Committees would be held via MS Teams (except for the Curriculum and Student Matters Committee) and that meetings of the Governing Board would be held face to face.

The Chair advised the Committee that feedback was always welcome and encouraged members of the Committee to share any concerns with her or the Clerk. It was also noted that the Board self-assessment survey had recently been issued, which provides an opportunity to assess the effectiveness of committees.

12. Date of next meeting: Wednesday 8 June 2022 at 5.00pm

AC22-04-13

13. The meeting closed at 5.58pm



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