

**Minutes of the Audit Committee Meeting**

**held on 28 June 2022 at 5.30pm via video conference**

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| **Present:** | | Kevin Moss  Andrew Thomas  Janet Dean  John Ennis  Anna Entwistle | Chair  Independent Governor  Independent Governor  Co-opted Governor  Co-opted Governor | |
| **In Attendance:** | | Lee Probert  David Hawkins  Carolyn Barker  Andrew McCullough  Richard Lewis  Paul Cutten  Kirk Preston  Ben Chapman | Chief Executive and Principal  Vice Principal, Finance and Professional Services  Director of Governance  Director of Audit, TIAA  RSM  IT Systems and Services Manager  JISC  JISC | |
| **1** | **Apologies for Absence / Declarations of Interest** | | | **Action** |
|  | No apologies were received. There were no declarations of interest.  Director of Governance advised the committee of an error in the issue of the committee papers. The Risk Policy and cover pages for the policy reviews and cyber security had not been included. There were no changes made to the Risk Policy therefore the committee were happy to recommend to the board its approval. ***The committee resolved to recommend the approval of the Risk Policy to the Governing Body.*** | | |  |
| **2.** | **Minutes of Previous Meeting – 9 March 2022** | | |  |
|  | The minutes of the meeting held on 9 March 2022 were reviewed.  ***The Committee resolved to approve the minutes of the 9 March 2022.*** | | |  |
| **3.** | **Matters Arising** | | |  |
|  | **3.1 Action Summary**  All due actions were complete. The committee requested that the Chair of the F&GP Committee be briefed on the GDPR action plan and progress to date.  **3.2 Any other matters**  There were no other matters arising. | | | CB |
| **4.** | **External Assurance – Internal Audit** | | |  |
|  | **4.1 2020-2021 Internal Audit Recommendations Implementation**  The Committee reviewed the 2021-22 Internal Audit Recommendations Implementation monitoring summary. It was noted that 18 actions were complete with 1 to be planned in. An update following an earlier meeting with the auditor confirmed that there were 2 actions outstanding. One related to the completion of a CCTV Data Privacy Impact Assessment and the other for staff data protection training.  RSM advised that all recommendations from audits should be logged by this committee and followed through therefore will be reviewed at the next meeting.  The committee asked whether the Data Protection Officer role had been assigned to an individual. The Director of Governance advised that she has taken on the responsibilities of the role.  ***The Committee resolved to note the report.*** | | | DH |
|  | **4.2 2021-22 Internal Audit Recommendations Implementation**  Vice Principal, Finance and Professional Services advised the committee that teams are steadily working their way through the recommendations. | | |  |
|  | **4.3 Internal Audit Progress Report**  Updates were provided on the following internal audit recommendations   * Safeguarding * CPD * BCP * ICT * Core Work Placements | | |  |
|  | **4.4 Internal Audit Report - Safeguarding** | | |  |
|  | The Committee considered the Internal Audit report for Safeguarding which received a rating of **‘reasonable assurance’**. Key points noted by the auditor included:   * Safeguarding policy reviewed and approved in June each year. * Recommendation to review the policy following the update to the KCSIE that comes into force from Sept 2022. * New CPOMs system implemented to record concerns. * Some actions are past their review date and of those, three are important and three routine.   The committee asked whether the actions were completed by the expected date of 22nd April 2022. This was confirmed.  A governor asked for an explanation on the connection between the safeguarding audit and the progress report on staff training that stated the expected completion date of 15th July 2022. The Strategic Leadership Team (SLT) confirmed that the date was planned to align with staff training week (11-15 July) giving all staff the opportunity to catch up with their training. The committee was keen to gain additional assurance on review of the safeguarding training statistics to understand the different groups of staff that have completed their training and if those staff are those with student engagement roles.  A governor questioned the frequency (every three years) to complete safeguarding training and wondered whether the timescales should be more reflective of the significance of the training. The Principal advised that with a 100% staff training this provides a baseline position but does not consider the contextual factors that staff deal with.  ***The Committee resolved to note the report.*** | | | DB |
|  | **4.5 Internal Audit Report - CPD** | | |  |
|  | The Committee considered the Internal Audit report for CPD which received a rating of **‘reasonable assurance’**. Key points noted by the auditor included:   * Low completion rates when tested for completion of PDRs. * Two recommended actions with a priority rating of two (important) and one routine action.   The committee noted that PDR completion rates agreed in 2019 would be kept under review at the P&G Committee meetings however the reports indicate this remains a priority two action. The process for completing PDR’s is highly manual and therefore can be problematic in collating statistics however managers continue to encourage staff to complete.  A governor asked for assurance on the culture and whether staff buy into the CPD process. The Principal advised that the appetite amongst staff is mixed dependent on the type of role i.e. cleaning and catering staff who may not be particularly invested in the process. The Head of CPD is reviewing the process to identify areas to streamline and simplify to enhance participation. The committee was advised that there are no implications on staff pay for not completing PDR’s however staff are not granted access to external training courses unless their PDR is up to date.  ***The Committee resolved to note the report.*** | | |  |
|  | **4.6 Internal Audit Report – Business Continuity** | | |  |
|  | The Committee considered the Internal Audit report for Business Continuity which received a rating of **‘reasonable assurance’** but not far from substantial assurance. Key points noted by the auditor included:   * Appropriate risks are being controlled. * Whilst a plan has been initiated there has been no scenario planning conducted therefore is a priority two recommendation. * Some low-level points noted such as making a record of the BCP meetings, incident reports and reviews.   The Committee noted the scenario planning action being picked up at the July SLT meeting.  The Committee questioned the scope of the BCP and whether wider issues and liaison with other agencies had been considered. It was confirmed that there are links with Askham Bryan College to use their space for example in a flood risk scenario. A wider review of external links considering the local framework that is in place is to be considered.  ***The Committee resolved to note the report.*** | | | DH |
|  | **4.7 Internal Audit Report- ICT Disaster Recovery** | | |  |
|  | The Committee considered the Internal Audit report for ICT Disaster Recovery which received a rating of **‘reasonable assurance’**.  The Committee questioned the point that the internal auditors are not reporting as higher level of assurance over the last couple of years compared to previous years which could lead to questions over whether controls are adequate. The committee suggested getting the level of assurance back up to previous levels needed and to be an area for the SLT to work on. It was agreed that a collective approach to auditing both BCP and IT areas would be beneficial rather than auditing specific controls in isolation.  ***The Committee resolved to note the report.*** | | | DH |
|  | **4.8 Internal Audit Report – Core Work Placements** | | |  |
|  | The Committee considered the Internal Audit report for Core Work Placements which received a rating of **‘substantial assurance’**. Key points noted by the auditor included:   * Core work placements and associated policies tested with good records being held. * Performance reviews completed. * Employers’ liability insurance certificates to be obtained and recorded for all organisations in the work placement arrangements.   The Committee questioned whether the implementation date of 30.06.2023 was correct. It was confirmed that the recommendation is not a high-level action, and the area is under review currently. The Committee suggested the audit is brought forward. | | | DH |
|  | **4.9 Internal Audit Plan – 2022/23**  Ahead of confirming the internal audit plan for next year the committee was asked for their views on recommended areas of focus. An outline had been prepared and shared with the Committee which included:   * Finance including purchase to pay system * Apprentice funding (not replicating work that RSM complete related to high-risk areas) * Learning support and high needs area particularly around support claims to local authority and capturing data * Bus ticketing system * IT access and controls * Estates and health & safety controls and checks   RSM advised that they support the view on audit and procurement priorities bearing in mind the ESFA’s focus on apprenticeships and the following of their rules. RSM suggested a focus on payroll might be one to consider and the external governance review noted in the updated ESFA funding agreement requirements. The committee was advised that a Governance review is being planned for the Autumn term.  The committee suggested that GDPR should be audited the following year.  Two representatives from JISC and the College’s IT Services and Systems Manager joined the meeting.  The agenda item covering Cyber Security Report was taken at this point.  The committee reconvened after the conclusion of agenda item 6.2 to discuss the internal audit plan.  TIAA advised that a review of the scope of audit would be completed and submitted for review at the next meeting.  A governor challenged that many of the outcomes from the audits had been graded as ‘reasonable assurance’ and noted their concern that this might be reflective of a deteriorating position. It was recognised that there may be underlying factors with changes to auditors however the SLT and auditors provided assurances that this was not the case. | | | DH/TIAA |
| **5.** | **External Assurance** | | |  |
|  | **5.1 External Audit Plan**  The Committee received the Audit Plan and Fee Report summarising the planned scope for the year ending 31 July 2022, timetable, materiality, key audit risks and the planned approach to these, together with details on the fees and independence.  RSM spent a few minutes advising the Committee on the emerging issues report. A verbal update on the audit plan was given advising that it is similar to previously seen and sets out areas of focus based on their sector knowledge and understanding of how the College operates.  ***The Committee accepted the report and approved the annual audit fee of £37,300. The planned approach was considered, and confirmation given that it will meet the College’s requirements.*** | | |  |
| **6.** | **Internal Assurance – College Assurances** | | |  |
|  | **6.1 Strategic Risk Monitoring**  The Committee noted the risk monitoring report and that it had been submitted to all committees. The direction of travel has been relatively static however a review of risks will be reviewed during July. The Committee noted how well the risks had been managed.  ***The committee resolved to note the risk monitoring report.*** | | |  |
|  | **6.2 Cyber Security Report**  The Committee received the cyber security penetration testing report. The scope of the test focused on vulnerability scanning of the Internal Network and Active Directory. The aim of the test was to identify if the network could be compromised by performing various attacks. The technical report has formed the basis of further development of an action plan.  Two representatives from JISC joined the meeting to summarise the report including the risks and issues this presents to the College and a plan of how the issues are to be taken forward. Paul Cutten, the College’s IT Systems & Services Manager joined the meeting.  Presentation slides were shared with the Committee.  The Committee was advised that there were several critical and important weaknesses which need immediate attention. These are currently being worked through with improvements identified that include:   * Rigorous patch management * Upgrades to infrastructure * Extra diligence regarding accessibility of potentially sensitive information on shared devices   The overall security posture of the network was found to be in good order with some room for improvement. Additional recommendations were provided by the JISC technical team.  The Committee questioned the internal response to the report including the College’s action plan, timings, costs, resources and whether regular interrogation of the systems is needed. It was confirmed that an action plan was developed on receipt of the penetration report with many of the recommended actions having been completed. The IT Systems and Services Manager confirmed that 19 actions on the plan had been completed with 17 that will be addressed by the end of the month.  The Committee was keen to understand the impact of the actions on the rest of the team’s work. It was confirmed that the team are trying to balance all priorities at present. The final recommendation from the report is that penetration testing should be completed again in 12 months’ time.  The Committee was grateful for the work that the team are doing and thanked the IT representatives for joining the meeting.  ***The Committee resolved to note the Cyber Security Penetration Testing Report.*** | | |  |
| **7.** | **Policy and other matters** | | |  |
|  | **7.1 Policy Reviews – Financial Regulations**  The Vice Principal, Finance and Professional Services presented the Financial Regulations for approval of the committee. Minor changes were noted including the increase to the Finance Manager debt write offs from £500 to £1000 and updated for OJEU/EU Regulations.  ***The committee resolved to recommend the approval of the Financial Regulations to the Governing Body.*** | | |  |
| **8.** | **Other matters** | | |  |
|  | **8.1 Additional Services from Audit Providers**  Nothing to report.  **8.2 Review of internal audit service performance**  Nothing to report.  **8.3 Committee Self-Assessment and Terms of Reference**  The attendees at the meeting agreed to commit to sharing their thoughts on the effectiveness of the committee and TOR with Janet Dean before the 11 July 2022 with a view to drawing together a recommendation for consideration at the next meeting. | | | All |
| **9.** | **Key meeting outcomes and/or actions** | | |  |
|  | **9.1 Matters for report to the Governing Body (if any)**   * Cyber Security Report Update * Financial Regulations Policy * Risk Policy | | |  |
| **11.** | **Any Other Business** | | |  |
|  | None recorded.  It was the last meeting for the Chair of the Committee. He expressed his thanks to the members of the committee, SLT and the auditors and wished everyone all the very best for the future. Janet Dean will be taking up the role of the Chair.  A governor asked whether meetings would take place remotely or face to face moving forward. The committee is to discuss this further in terms of whether a hybrid approach may be useful. | | |  |
| **12.** | **Date of Next Meeting**  To be confirmed. | | |  |
| Approval Date: |  | | |  |
| Chair of Committee | Kevin Moss | | |  |