Minutes of the
Audit Committee
Wednesday 2 March 2022
Video Conference- Microsoft Teams
4pm

Present:	Mark Lawson (Chair)
	Dennis Buckley
	Andy Ellis
	Luke Ferebee
In attendance:	Maddy Govier (MG), DPO
	Stephen Walker (SW) Technical Accountant
	Rachel Nicol (RN), Director of Governance & Clerk to the Corporation (Minutes)

AC/1/22   Apologies for absence

There were no apologies for absence.

AC/2/22   Declarations of Interest

There were no declarations of interest relevant to the matters on the agenda.

AC/3/22   Matters arising not covered elsewhere on the agenda

There were no matters arising not covered elsewhere on the agenda.

AC/4/22   Progress of plan and recommendations

The Technical Accountant attended to present the report. It was confirmed that all high or medium recommendations had either been fully implemented or are under consideration in planned audits.

The Committee noted the report

AC/5/22   Internal audit reports

The internal audit reports were presented and discussed as follows:

5a. The GDPR report was introduced by the Internal Auditor and concluded as providing reasonable assurance. The College has moved from an outsourced model with limited on-site support to the internal appointment of a Data Protection Officer ("DPO"). The report concluded that the gap analysis carried out by the DPO has provided a clear understanding of the work required and priorities. The implementation and embedding of actions and processes will now enable compliance to be effectively monitored.

The issue of cyber security was raised and the risks around exposure of commercially sensitive information, as well as personal data considered, particularly in the context of the international situation. The security of governor communications and use of personal email addresses was discussed. Although governors only have access to sensitive personal data in very limited circumstances ***it was agreed that the issue should be referred to the Governance Committee and wider board for further discussion***, with support from the IT department and the DPO as needed. Although governors don't have access to significant personal data of students they do have access to commercially sensitive information.

The Committee was satisfied that based on the work carried out in respect of the gap analysis, and the conclusions of the internal audit review, they were assured on the appropriateness of management actions.

The report was noted and the DPO thanked for the work.

5b. The Counter solutions report and move to cashless operations was presented and substantial assurance provided. The system has been implemented and was reporting to be running well. The system includes access to an app where parents can provide funds and bursary funds are paid through this mechanism. Only a small proportion of sales go through the app currently. A minor recommendation had been made on a reconciliation matter relating to VAT. The issue has been passed back to the software provider for resolution but assurance given that the impact is not significant.

The Committee questioned whether the volume of sales going through the app provides value for money. It was confirmed that the app is included in the package, not paid for separately and work is ongoing to develop its use. The College had prioritised the management of free school meals with more uses now being explored. Assurance was given that there are back up mechanisms for payment to ensure students have access to free school meals if they cannot access the app.

The report was noted.

The Director of Apprenticeships joined the meeting

5c. The ESFA mock funding audit was presented with a conclusion of reasonable assurance. It was noted the report has rolled over from 2021. 5 low level recommendations have been made. It was explained that a zero-tolerance approach is taken to this audit and minor incidents are reportable, even when there is deemed to be no impact. No trend had been identified in the recommendations. Apprenticeship funding rules have changed significantly and frequently in recent years and require the greatest focus. The expectations on employers are noted to be onerous.

Committee approved 22 June 2022

The Committee discussed intended actions and the potential impact on funding. The Director of Funding, Data Returns and Policy Advice highlighted the lack of face to face enrolment processes during the pandemic and the impact on students' ability to sign documents prior to starting. It was noted that the report is an entirely internal document for guidance of the College.

Assurance was provided that where errors are identified, actions are taken to resolve matters. Off the job learning for apprenticeships is logged by the learners themselves and cannot be changed on their behalf. Challenges to achieving 100% accuracy of records were discussed and the dialogue is being taken forward with the ESFA. It is expected that the final audit report from the ESFA will be presented in June.

The Committee noted the report.

The Director of Funding, Data Returns and Policy Advice and the Director of Apprenticeships left the meting

AC/6/22	Internal audit strategy discussion

The Technical Accountant provided an update. The Internal Auditor had met with the Executive Director of Finance and the Committee had received a report setting out the suggestions for internal audit in 2022-2023.

The report had been circulated to the Executive and additional audits suggested included: HE and registration with the OfS and Monitoring and oversight of quality of curriculum.

The Internal Auditor advised that the audits proposed exceed the allocated days with the need to prioritise. The only mandatory requirement which was advised to be required was the subcontracting certificate audit.

The Internal Auditor set out key rationale for each of the proposed audits for the Committee and explored potential audits that could be linked.

The Committee discussed the relationship between audits proposed and confidence in mitigations outlined in the risk register.

It was agreed that all members will consider the plan offline and provide feedback on priorities

The report was noted

The Technical Accountant presented the report.

The Executive had updated the review and increasing risks were discussed included:

Market leadership – as a result of introduction of higher technical qualifications, the Sixth form white paper, Institute of Technology and reduction in share of adult provision.

Staffing – increasing risk of loss of staff and corporate knowledge and difficulties recruiting.

The Committee also discussed the increased potential for future funding audits, believed to be as a result of size of Group

Andy Ellis left the meeting

The Opportunities register and new opportunities were highlighted. Strategic level discussions on potential ventures and executive discussions, including options not taken forward, were explained.

The Committee raised the issue of contingency planning, business continuity and increased cyber security risk given the volatility of the international position.

The Committee sought and was provided with assurance on the scope of the IT data security audit planned in the summer term.

The updated Risk Management Policy was presented. The Committee sought assurance on the appropriateness of the guidance provided to management on the scoring of opportunities in particular. It was confirmed that detailed guidance is provided to try and provide some consistency in approach. The Committee discussed the policy and how it reflects the risk appetite. Risk appetite articulated in the Policy was confirmed as risk averse.

The date for review of the policy was noted as 3 years. The Committee did ask that the management team to reflect on the appropriate timescales for review of policies and documents.

The Committee was pleased to see that the policy now reflects risk and opportunity management and was content to recommend this to the Board for approval.

AC/8/22   Update report from Data Protection Officer

The Data Protection Officer attended to present the report and confirmed the main developments since the last report. It was agreed to take the report at the beginning of the meeting.

Progress included the introduction of quarterly reporting and the gap analysis exercise. A robust exercise has been carried out to assess the current position, measure compliance and identify future actions.

Accountability and engagement has increased. A training needs analysis is being carried out as a result of the gap analysis. The dip in overall take up on training was attributed to the timing of the report and the relationship with refresher reminders.

Current areas of focus include the records of processing activities and impact assessments. Data Management is also being looked at to ensure retention schedules are adhered to.

Incidents were presented and are assessed in terms of severity of impact on an individual.

Information requests are being monitored and steps taken to develop an assurance system to monitor compliance with deadlines.

The Committee discussed the positive progress made but also sought assurance on the adequacy of the allocated resource in the context of the workload.

The report was noted

AC/9/22   Minutes and action log

The minutes of the meeting on 18 November 2021 were agreed as an accurate record of the meeting.

AC/10/21   Next meeting

The next meeting will take place on Monday 20th June 2022. The Committee expressed a preference for an in person meetings and options for location will be considered. *(Post meeting note, date changed to 22 June)*

Committee approved 22 June 2022