

<p style="text-align: center;">MINUTES OF MEETING OF THE AUDIT COMMITTEE HELD IN I1.10 AT 5PM ON MONDAY 2 DECEMBER 2019</p>
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Present: Mr D Thorpe (Chair)
Mr A Gold
Ms S Laycock

In Attendance: Mrs J Sherrington (Interim Principal)
Mr K Williams (Interim Vice-Principal
Finance and Resources)
Mrs J Matthews (Director of Governance)
Mr P Harrison (TIAA)

		ACTION
	APOLOGIES FOR ABSENCE	
M19/01	There were apologies for absence from Mr Brown and Mrs Thomson.	
	DECLARATIONS OF INTEREST	
M19/02	There were no declarations of interest.	
	MINUTES OF 11 JULY 2019	
M19/03	The minutes of the meeting held on 11 July 2019 were approved.	
	MATTERS ARISING ON THE MINUTES OF 11 July 2019	
	<i>M18/52 – HR roadmap</i>	
M19/04	It was noted that the HR roadmap had not been presented to the Board and that this particularly related to staff understanding of confidential matters. The Interim Principal reported that she would look at this further and ensure it was woven into the new HR Strategy. In relation to cyber awareness, it was noted that a phishing test was currently ongoing, and would involve both staff and students. The report would be brought to the next meeting but in the meantime, there was to be an IT training day on 4 February where all staff would undertake cyber security training and a lot of work had taken place on strengthening the firewall. The Committee recognised that this area remained a vulnerability and significant risk to the College.	Interim Principal Interim VP F&R
	<i>M18/54 – risk management policy</i>	
M19/05	It was noted that the updated risk management policy was on the agenda for discussion.	
	<i>M18/59 – staff costs</i>	
M19/06	CONFIDENTIAL MINUTE	
	<i>M18/60 – data protection officer</i>	
M19/07	The Interim Principal reported that she was in discussion with Craven District Council regarding recharging arrangements for a data protection officer (DPO) and would ensure that it was in place prior to her departure.	Interim Principal
	REVIEW OF COMMITTEE EFFECTIVENESS	
M19/08	Members reviewed their effectiveness as a committee, relating to compliance with the Committee's terms of reference, and the Committee recognised the significance of the changes in the College leadership over the past year, and the impact that had had on progressing matters. Whilst the Committee had not been able to achieve everything it had hoped over the last year, members recognised the issues leading to that, as well as what was required and would be put in place once new leadership was in post. The	

	<p>Committee had recognised the need to replace the audit function following underperformance of KPMG and had carried out a selection process to put in place separate internal and external audit functions as quickly as possible. The Committee also agreed it would welcome input from the auditors into its evaluation of effectiveness the following year. It was agreed that the Chair and Director of Governance should update the Audit Committee report to the Board to reflect this.</p>	Chair/ Director of Governance
	DRAFT AUDIT COMMITTEE REPORT TO THE BOARD	
M19/09	The draft Audit Committee report to the Board was received and recommended to the Board subject to inclusion of the Review of Committee effectiveness.	
	TERMS OF REFERENCE 2019-20	
M19/10	The terms of reference for 2019-20 had been circulated and it was agreed to change the reference from extended assurance to internal and external audit, and subject to this, the Committee recommended them to the Board for approval.	
	INTERNAL AUDIT	
	Payroll Audit report	
M19/11	The Committee had received the Payroll audit report and a question was asked about how long the audit took. It was reported that it took 3 days and ensured that processes were working.	
	Internal Audit Plan 2019-20	
M19/12	The draft internal audit plan had been circulated and it was noted that although it was a 3-year strategy, it would be revisited each year. A question was asked about whether it was appropriate to do the HR audit whilst an interim was in post and the Interim Principal reported that if it was done towards the end of the academic year, that might be appropriate, although the Principal Designate may wish to delay it until later. A question was asked about what measures would be taken if 4 days for each audit was not sufficient, and Mr Harrison confirmed that his teams were experienced and were confident that any issues would be identified during the four days. A further question was asked about whether he was comfortable that there was no contingency and he confirmed that should extra days be needed, the College would be approached. In response to a question, it was confirmed that some reports would be available for the next meeting, and further reports to the June meeting.	
	UPDATE ON AUDIT RECOMMENDATIONS	
M19/13	Members had received an update on progress on audit recommendations and a question was asked about whether there would be a formal SLA with Craven District Council for the Data Protection Officer (DPO) and it was confirmed that there would be.	
	RISK MANAGEMENT	
	Risk management policy	
M19/14	The Committee had received the risk management policy which had been revised by the previous Principal but had not been approved by the Board for implementation. It was noted that the Interim Principal had discussed the matter with the Chair of the Audit Committee who had agreed that it was not a priority to change the risk management process during the interim period. Subject to a small amendment to remove reference to the extended assurance model, the Committee recommended the risk management policy to the Board.	
	Risk register	
M19/15	The updated risk register had been circulated and the Committee challenged whether the increase in the phishing risk was sufficiently high. The Interim Principal reported that the risk might increase further after the current phishing test results were known. The	

Committee agreed that it would be helpful to review the risks before agreeing the internal audit plan to ensure that it reflected all changes in the environment.

Date of next meeting

M19/16

Members noted that the next meeting of the Committee was scheduled for 5.30pm on Thursday 19 March 2020.

The meeting closed at 6.15pm.