

**MINUTES OF MEETING OF  
THE AUDIT COMMITTEE  
HELD VIA MICROSOFT TEAMS AT 5.30PM ON THURSDAY 25 JUNE  
2020**

**Present:** Mr D Thorpe (Chair)  
Mr Brown  
Mr A Gold  
Mrs F Thomson

**In Attendance:** Mx L Johnson (Principal)  
Mr G Dixon (Vice-Principal Finance and Resources)  
Mrs J Matthews (Director of Governance)  
Ms K Rae (Armstrong Watson)  
Ms J Butterfield (TIAA)  
Mr D Roper-Newman (CDC) until M19/

		<b>ACTION</b>
M19/42	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>There were no apologies for absence. It was noted that Ms Laycock’s term of office had ended.</p>	
M19/43	<p><b>DECLARATIONS OF INTEREST</b></p> <p>There was a declaration of interest from Mr Brown in relation to Craven District Council.</p>	
M19/44	<p><b>CLOSED SESSION WITH AUDITORS</b></p> <p>A closed session with the auditors was held in the absence of College management. It was noted that a number of the scheduled internal audit reviews had been cancelled due to the lockdown and discussions had taken place about ensuring sufficient reviews took place to provide a proper internal audit opinion.</p>	
M19/45	<p><b>UPDATE ON COLLEGE MATTERS</b></p> <p>The Principal highlighted key issues for the College at the present time. It was noted there had been implications for income as a result of the lockdown, with the principle risk being in relation to apprenticeship income. It was noted that the High Street building had been put back on the market and it was hoped to start negotiations soon in relation to that. It was agreed to ensure that an item was included on future agenda to update co-opted members on wider College matters.</p>	<b>Director of Governance</b>
M19/46	<p><b>GDPR</b> <b>GDPR update</b></p> <p>The Chair welcomed David Roper-Newman, the College’s Data Protection Officer (DPO) who reported that he had carried out a 12-step analysis of the GDPR arrangements and no serious weaknesses had been identified. A lot of work had taken place during 2017-18 and the key issue was now improving awareness. He had written to the ICO, on the College’s behalf, to seek a reduction in the fee paid, and had also reviewed the GDPR policy.</p>	
M19/47	<p>A question was asked about whether there was any new guidance in relation to best practice around online teaching that might be issued to staff to reduce the risk of disclosures. Mr Roper-Newman reported that the ICO had recognised the pressure that organisations were under and there was no specific advice in relation to Covid. The biggest issue was around individuals disclosing their own data through various scams, and it was recommended that advice be issued to staff. All requests for student information should go through a central point and it was agreed that the Vice-Principal (Finance and Resources) would discuss this with Mr Roper-Newman.</p>	<b>VP (F &amp;R)</b>

M19/48	The Chair indicated that it was disappointing not to be further ahead with this work and stressed that he felt there was still much to be done, with improved staff awareness key. Mr Roper-Newman reported that the main areas requiring work were breach reporting and understanding of data protection. A question was asked about whether any breaches had been reported, and Mr Roper-Newman confirmed that there had been no serious breaches requiring reporting to the ICO and minor breaches would be dealt with at the time.	
M19/49	It was agreed that GDPR training would be added to the KPIs reported to Governors.  <i>Mr Roper-Newman left the meeting at this point.</i>	Principal
M19/50	<b>GDPR Policy</b> The updated GDPR policy had been circulated and was <b>approved</b> by the Committee. It was requested that tracked changes be shown in future.	Principal/VP F&R
M19/51	<b>MINUTES OF 19 MARCH 2020</b> The minutes of the meeting held on 19 March 2020 were approved.	
M19/52	<b>MATTERS ARISING ON THE MINUTES OF 19 MARCH 2020</b> Members had received the action tracker and noted its contents.  <i>M19/25 – BCP</i>	
M19/53	The Principal reported that work was taking place on the Business Continuity Plan, which would include Critical Incident Management. It would be presented to the next meeting of the Committee.	Principal
M19/54	<i>M19/32 – Review of committee effectiveness</i> It was noted that the format for the Committee self-assessment would be discussed with the auditors and completed at the next meeting.	Director of Governance
M19/55	<i>M19/36 – Audit Plan</i> It was noted that insufficient audits had taken place to allow assurance to be provided, and it had therefore been agreed to carry out two further audits. Reports would be submitted to the next meeting.	VP F&R
M19/56	<i>M19/37 – phishing test</i> It was noted that TIAA were not able to support the College with a second phishing test. It was agreed that it should be possible to run the test internally but that insufficient focussed training had taken place to reassess this yet. Staff development in this area was planned for August.	
M19/57	<b>RISK MANAGEMENT</b> <b>Risk Management Policy and procedures</b> The revised risk management policy and procedures had been circulated and it was noted that there was improved discrimination between risks. It was noted that individual committees reviewed their own risk areas at each meeting. A question was asked about risk appetite and the Principal agreed to liaise with Mr Gold outside the meeting on this.	Principal
M19/58	Whilst it was noted that it was helpful to have sight of the operational risk register, it was agreed that the Board's focus should be on strategic risks along with those risks that remained high after mitigation which formed the risk management action plan. It was also noted that it was important for Governors to be able to monitor trends and risks that were declining. The Principal agreed to update the policy to make it clear which risks would be brought to Governors. The Chair questioned whether an annual report would	Principal

	be provided and the Director of Governance confirmed that was in the autumn cycle of business. A further question was asked about the actions being taken and the Principal agreed to include information about where actions were not having the necessary impact.	<b>Principal</b>
M19/59	A question was asked about GDPR training for staff and whilst it was noted that it was on the risk register action plan, it would be reviewed to ensure it was appropriate.	<b>Principal</b>
M19/60	A Governor challenged some of the strategic risks, some of which he felt were not correctly represented, leading to the wrong actions required. He also challenged the number of strategic risks and the Principal agreed to review those to see if any could be moved into operational risks.	<b>Principal</b>
M19/61	Subject to the amendments agreed, the Committee <b>recommended</b> the Risk Management Policy and Procedures, along with the Risk Register, to the Board for approval.	
	<b>UPDATE ON AUDIT RECOMMENDATIONS</b>	
M19/62	The update on audit recommendations had been circulated and it was noted that the recommendations from the Learner Support Funds audit would be added. The Vice-Principal (Finance and Resources) confirmed that all audit recommendations would be combined within one tracker which would be presented at each meeting.	<b>VP F&amp;R</b>
	<b>Phishing Test action plan</b>	
M19/63	The Committee had received the phishing test action plan and noted that the RAG rating indicated progress against the actions. There was some discussion about the use of the RAG rating and green as an indicator of good progress, not completion. The Chair expressed concern that this work was overdue and should have been completed by this point, with use of green sending the wrong message. The Principal confirmed that the action plan set out achievable dates, with some actions having no dates as it was not yet clear when those could be completed. It was agreed that the issues had been identified some time ago and the Committee should consider how it tracked these actions.	
	<b>INTERNAL AUDIT</b>	
	<b>Learner Funds</b>	
M19/65	The Learner Funds audit report had been circulated and TIAA reported that they were providing overall reasonable assurance on that audit, with 4 important recommendations and two routine recommendations.	
	<b>Internal Audit Plan 2020-21</b>	
M19/66	TIAA presented their internal audit plan for 2020-21 and a question was asked about whether the proposed purchasing and payments audit would overlap with the work of the External Auditors. It was confirmed that, in general, it would not. Armstrong Watson confirmed that where possible they would place reliance on internal audit work. The Committee <b>recommended</b> the Internal Audit plan for 2020-21 to the Board for approval.	
	<b>AUDIT STRATEGY 2020</b>	
M19/67	The Committee had received the Audit Strategy for 2020 which was presented by Armstrong Watson. It was noted that the work would take place earlier this year, starting in August and closing out by September. A question was asked about whether it was a substantive or systems audit approach and it was reported that where possible aspects of internal audit work would be used, but Armstrong Watson would carry out their own work on controls. The Committee <b>approved</b> the Audit Strategy as circulated.	
	<b>AUDIT KPIS</b>	
M19/68	A paper setting out Audit KPIS had been circulated and there was some discussion about monitoring auditor performance. It was agreed that each should be reviewed once per	

year, with the Committee ensuring each had fulfilled their brief. It was agreed that the review of internal audit performance should take place in the summer term, with the review of external audit performance at the autumn term meeting. TIAA confirmed that they would also include an assessment of performance in their annual report.

#### **POLICY REVIEWS**

##### **Whistleblowing policy**

M19/69 The updated Whistleblowing policy had been circulated and was **approved** by the Committee.

#### **ANNUAL REPORTS**

##### **Freedom of Information**

M19/70 The annual report on Freedom of Information had been circulated and the contents noted.

#### **REVIEW OF TERMS OF REFERENCE**

M19/71 Revised terms of reference for the Committee had been circulated, along with the proposed review cycle for policies within its remit. A question was asked about the wording relating to fraud, and the Director of Governance reported that this reflected the requirements of the Audit Code of Practice. Armstrong Watson reminded the Committee that Governors should take reasonable steps to identify and mitigate fraud and it was noted that TIAA would look at this in their review of controls. A question was asked about whether there was an annual report on Fraud, and it was confirmed that was included in the annual cycle of business. The Committee **recommended** the updated terms of reference, including the policy review cycle, to the Board for approval.

*The Chair thanked Armstrong Watson and TIAA and they left the meeting at this point.*

##### **Private meeting with College management**

M19/72 The Committee met privately with the College management and agreed that any issues occurring should be raised throughout the year.

##### **Date of next meeting**

M19/73 Members noted that the next meeting of the Committee was scheduled for 4pm on Thursday 26 November 2020.

The meeting closed at 7.35pm.