

**MINUTES OF MEETING OF
THE AUDIT COMMITTEE
HELD VIA ZOOM AT 4PM ON WEDNESDAY 26 NOVEMBER 2020**

Present: Mr M Stone (Chair)
Mr A Brown
Mr A Gold

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)

		ACTION
M20/01	<p>PRIVATE MEETING WITH AUDITORS The Committee met privately with the auditors without College management present.</p>	
M20/02	<p>APOLOGIES FOR ABSENCE There were no apologies for absence.</p>	
M20/03	<p>DECLARATIONS OF INTEREST There was a declaration of interest from Mr Brown in relation to Craven District Council.</p>	
M20/04	<p>COMMITTEE EFFECTIVENESS TRAINING Ms Butterfield delivered a training presentation on Committee effectiveness and a question was asked about the size of the Audit Committee compared to other colleges. It was reported that it was very similar. In response to a further question, it was confirmed that the Committee's terms of reference were appropriate with the right coverage.</p>	
M20/05	<p>REPORT ON MATTERS FROM THE BOARD It was noted that the report from the FE Commissioner's Diagnostic Visit had been circulated to non-Board members of the Committee, for information.</p>	
M20/06	<p>MINUTES OF 25 JUNE 2020 The minutes of the meeting held on 25 June 2020 were approved.</p>	
M20/07	<p>MATTERS ARISING ON THE MINUTES OF 25 JUNE 2020 The Committee noted the action tracker circulated.</p>	
M20/08	<p><i>M19/57 – risk appetite</i> It was agreed that the Board should discuss risk appetite and risk acceptances and that it would be useful to have a separate discussion about this at the Away Day at the end of January, following discussion at the SMT Strategy Day in December.</p>	DG/Principal
M20/09	<p><i>M19/58 – risk register</i> It was noted that the risk register showed the gross rating, then mitigation, followed by the net rating for each risk. Risk management reports now included the direction of travel of the risk since the last meeting and it was agreed that this action was now closed.</p>	
M20/10	<p>INTERNAL AUDIT Annual report Members had received the annual internal audit report and it was noted that some reviews had been cancelled during the lockdown whilst others had been added, totalling</p>	

six reviews completed. A question was asked about whether the reviews had been cancelled due to Covid or for other reasons and Ms Butterfield reported that following the appointment of the new Principal, it had been considered that some would no longer be beneficial. Other reviews had been added to the 2021-22 plan. A concern was raised about the timing of the reviews and a question asked about whether there would be a smoother distribution of reviews in the current year. Ms Butterfield confirmed that one had already been completed and there would be three for report at the next meeting. Since only 29 of the 38 planned days had been delivered in 2019-20, a question was asked about the impact on fees, and Ms Butterfield confirmed that there was a fixed daily rate, with the College only being charged for 29 days.

Sub-contracting report

M20/11 The Committee had received the Sub-contracting audit report and it was noted that substantial assurance had been received overall. A question was raised about processes for identification of any conflicts of interest and after discussion it was clarified that there were processes in place, but no conflicts had been identified.

Safeguarding report

M20/12 The safeguarding audit report had been circulated and it was noted that there had been a recommendation regarding mandatory training which had been accepted by the College. There was some discussion about mandatory training completion rates and how 90% completion compared to other colleges. Whilst acknowledging that 90% completion may be acceptable in some areas, there was a wish for a higher level of completion for safeguarding training. It was agreed that it would be helpful to have benchmarking information included in audit reports where appropriate.

TIAA

Careers and Guidance report

M20/13 The Careers and Guidance audit report had been circulated and a question was asked as to proposed arrangements for covering the Careers adviser. The Principal reported that there were plans in place to upskill an existing member of staff.

Follow-up report

M20/14 The Follow-up audit report had been circulated and it was noted that there remained four outstanding recommendations, relating to GDPR. Although a lot of progress had been made recently, it was requested that the remaining recommendations now be completed quickly.

VP F&R

Payments report

M20/15 Members had received the Payments audit report and noted that there were nine recommendations. Some queries were raised about the wording of findings and recommendations and it was requested that the wording be made clearer in future. Despite the number of recommendations, it was noted that reasonable assurance rather than limited assurance had been given, and a question was asked as to what would trigger limited assurance. It was reported that either five or more priority 2 recommendations, or one priority 1 recommendation would lead to limited assurance.

TIAA

M20/16 Members noted that there were some recommendations that had now been outstanding for some time and requested a follow-up audit report be provided to the next meeting.

TIAA/VP F&R

UPDATE ON AUDIT RECOMMENDATIONS

M20/17 Members had received an update on progress on audit recommendations and it was noted that the recommendations from the financial statements audit would also be added.

	EXTERNAL AUDIT REVIEW OF PERFORMANCE	
M20/18	A paper had been circulated summarising the performance of external audit and the Committee commended Armstrong Watson for a pragmatic approach in difficult circumstances.	
	AUDIT COMMITTEE REVIEW OF EFFECTIVENESS	
M20/19	The results of the Audit Committee review of effectiveness had been circulated and it was noted that due to the changes in the committee in recent months, there had been limited responses available, but more meaningful data should be available the following year. It was agreed that the Chair and Director of Governance would prepare a summary for inclusion in the Audit Committee Annual Report to the Board.	Chair/DG
	DRAFT AUDIT COMMITTEE REPORT TO THE BOARD 2019-20	
M20/20	The draft Audit Committee Report to the Board 2019-20 had been circulated and the Committee approved the draft opinion within that. Subject to inclusion of the summary of the Committee's review of effectiveness, the Committee recommended the report to the Board.	
	ANNUAL REPORTS	
	GDPR Annual Report 2019-20	
M20/21	The GDPR Annual Report for 2019-20 had been circulated and a question was asked about whether further training should be undertaken in light of the increase in phishing attacks. The Vice-Principal (Finance and Resources) reported that a cybersecurity module had been including in the recent mandatory training and there were now robust controls in place to stop such e-mails. The Committee agreed that in light of the increased risk, the College should do as much as possible to increase awareness.	
	Fraud, Bribery and Whistleblowing Annual Report 2019-20	
M20/22	The Committee received and noted the Fraud, Bribery and Whistleblowing Annual Report 2019-20.	
	BUSINESS CONTINUITY POLICY, CRITICAL INCIDENT MANAGEMENT AND DISASTER RECOVERY PLAN	
M20/23	The Business Continuity Policy, Critical Incident Management and Disaster Recovery Plan had been circulated and it was noted that the recent Covid-19 pandemic had allowed the plans to be tested. A dynamic lockdown practice had been planned but had been postponed in light of the ongoing public health situation, and would take place as soon as possible.	
M20/24	The Committee noted that there would be seven separate recovery plans underpinning the overall plan and those were being finalised and put into a consistent format. The College was also working with a PR and communications organisation to undertake training and preparation. Members approved the plan and the importance of maintaining it as a living document was recognised.	
	RISK MANAGEMENT	
	Risk management annual report	
M20/25	The Committee had received the risk management annual report and the Principal agreed to share the whole risk register at a future meeting. It was agreed that work should take place to develop risk appetite, building on the new risk management procedures.	Principal
	Review of meeting	
M20/26	The Committee reviewed the effectiveness of the meeting and no areas for improvement were identified.	

M20/27

Date of next meeting

Members noted that the next meeting of the Committee was scheduled for 5.30pm on Thursday 18 March 2021.

The meeting closed at 5.30pm.