

**MINUTES OF MEETING OF  
THE AUDIT COMMITTEE  
HELD VIA TEAMS AT 5.30PM ON WEDNESDAY 15 JUNE 2022**

**Present:** Mr M Stone (Chair)  
Professor J Craig  
Mr A Gold

**In Attendance:** Mr G Dixon (Vice-Principal Finance and Resources)  
Mrs J Matthews (Director of Governance)  
Ms J Butterfield (TIAA)  
Ms K Rae (Armstrong Watson)  
Ms J Ferguson (DPO – to M21/64)

**ACTION**

M21/58 **PRIVATE MEETING WITH COLLEGE MANAGERS**  
A private meeting took place with College Management without auditors present. A question was asked about outsourced services and it was reported that a review was planned of the outsourced network management service following the sale of the company with whom the College had originally contracted.

M21/59 **APOLOGIES FOR ABSENCE**  
There were apologies for absence from Mr Brown.

M21/60 **DECLARATIONS OF INTEREST**  
There were no declarations of interest.

M21/61 **ANNUAL REPORTS**  
**Freedom of Information**  
Ms Ferguson, Data Protection Officer, presented the annual report on freedom of information and it was noted that only two requests had been received. This was consistent with other organisations.

M21/62 **GDPR**  
The GDPR annual report had been circulated and it was noted that the DPO was contracted to work for two days per week for the College although it was flexible, in practice. It was recognised that further work was required in relation to GDPR and the amount of time required from the DPO would be increased.

M21/63 **INTERNAL AUDIT REPORT: GDPR**  
Ms Butterfield presented the internal audit report on GDPR which it was noted had given limited assurance. Whilst the day to day activity was running well, a gap analysis was now required to see which areas should be focussed on and it was agreed that it would be helpful to reflect on any learning from that experience. Members agreed that it was a clear report but there were a lot of actions for the Vice-Principal (Finance and Resources) and there was discussion about the resource required to complete them. The Vice-Principal (Finance and Resources) reported that there would be additional resource from the DPO over the summer and it was hoped that there would be significant progress by the next meeting. It was reported that a lot of the recommendations were interlinked and were based on the information asset register, so once that was in place, many others would also be resolved.

M21/64 A question was asked about completion of GDPR training and it was reported that GDPR training was not currently part of the new starter induction requirements but was part of the annual mandatory training. The Vice-Principal (Finance and Resources) reported that he would ensure that it was included in induction training for new starters.

**VP F&R**

*Ms Ferguson left the meeting at this point.*

#### **REPORT ON MATTERS FROM THE BOARD**

M21/65 The Vice-Principal (Finance and Resources) reported that the recent visit from the FEC had indicated that good progress was being made and the ESFA had confirmed good financial health.

M21/66 Members noted that the Equine Unit remained on schedule and contracts had also been exchanged on the High Street sale. It was also reported that the current Chair of the Board was standing down in the early autumn and an orderly succession plan was in place.

M21/67 A question was asked about the impact of the cost of living crisis and pressures on staffing in relation to pay increases. The Vice-Principal (Finance and Resources) reported that energy prices were fixed to the end of December and that the budget presented to Governors had incorporated significant price increases from January 2023. A pay rise had already been made to all staff earning under £25k and targeted reviews of some roles had also taken place. Proposals were being developed for Board consideration in relation to future pay increases.

M21/68 A further question was asked about the rising risks around quality of teaching, Ofsted, the student voice and the Vice-Principal (Finance and Resources) reported that the Quality team staff had a clear focus on these aspects in order to ensure that teaching was the key priority.

#### **MINUTES OF 23 MARCH 2022**

M21/69 The minutes of the meeting held on 23 March 2022 were approved.

#### **MATTERS ARISING ON THE MINUTES OF 23 MARCH 2022**

M21/70 The Committee noted the action tracker circulated.

M21/71 *M21/38 – loss of key staff*

The Vice-Principal (Finance and Resources) reported that the risk around loss of key staff would be discussed at the Risk Management Group meeting the next day.

**VP F&R**

*M21/53 – anti-money laundering training*

M21/72 It was noted that 54% of the required staff had completed anti-money laundering training and the Vice-Principal (Finance and Resources) reported that those with training outstanding would be followed up.

**VP F&R**

#### **RISK MANAGEMENT**

M21/73 The Vice-Principal (Finance and Resources) presented the risk management paper and it was noted that the biggest financial risk was the delivery of the AEB, with a shortfall of £250k in 2021-22.

#### **INTERNAL AUDIT REPORTS**

##### **Learner Numbers**

M21/74 Members had received the Learner Numbers audit report which was presented by Ms Butterfield and it was noted that there had been substantial assurance with no recommendations. A question was asked about whether the audit had looked at eligibility criteria in order that external audit could place reliance on the work, and it was confirmed that it had not, but had only reviewed whether the ILR data was accurate.

M21/75	<p><b>Network and Cyber-security</b></p> <p>The Committee had received the Network and cyber-security audit report and noted that there was reasonable assurance and a number of recommendations. It was confirmed that there was an action plan in place and the IT team were already working on those actions. In relation to the Information Security Policy, a question was asked about whether the individual policies were also not available, or whether it was just the overarching policy that was required. Ms Butterfield reported that the overarching policy would include policies on topics such as passwords and back up and that such processes were not documented, although they may be in place. A question was asked about assurance that such processes were happening and the Vice-Principal (Finance and Resources) confirmed that the processes were in place, but were not yet captured in writing. Whilst members acknowledged that provided some assurance, it was agreed that without the policies in place, there were no safeguards should anything go wrong.</p>	
M21/76	<p><b>Annual review report</b></p> <p>Ms Butterfield presented the Annual Review report and the contents were noted.</p>	
M21/77	<p><b>Internal Audit annual report</b></p> <p>The Committee received the Internal Audit annual report and noted that two reviews had received limited assurance with a high number of recommendations relating to policies and procedures. It was noted that there had also been an increase in the number of high priority and important recommendations.</p>	
M21/78	<p><b>INTERNAL AUDIT KPIS</b></p> <p>A report on internal audit KPIS had been circulated and members agreed that they were happy with the service provided.</p>	
M21/79	<p><b>INTERNAL AUDIT STRATEGY 2022-23</b></p> <p>Members had received a draft of the Internal Audit strategy for 2022-23 and noted that an external review of governance would be taking place in the autumn term and therefore would replace any governance audit work for 2022-23. A question was asked about whether culture and EDI were covered within the 3-year plan and the Committee agreed that it wished to support an EDI review, both from a staff and student perspective. It was also agreed that the Cyber-security review should be brought forward as it was a high priority and a full review should be conducted at the end of the year. It was agreed to undertake an EDI review in 2023-24. Subject to the agreed amendments, the Internal Audit Plan for 2022-23 was <b>recommended</b> to the Board for approval.</p>	
M21/80	<p><b>EXTERNAL AUDIT STRATEGY 2021-22</b></p> <p>The External Audit Strategy for 2021-22 had been circulated and Ms Rae highlighted the key points. It was noted that it was similar to the previous year and that there was not much within the internal audit plan on which reliance could be placed. It was noted that the potential AEB clawback remained a significant issue. It was agreed that the related parties list should be updated and the External Audit Strategy was <b>approved</b>.</p>	DG/VP F&R
M21/81	<p><b>AUDIT TRACKER</b></p> <p>The audit tracker had been circulated and it was noted that due dates had now been added. It was also agreed that recommendations from any other reviews would be added to the tracker so they were retained in one document.</p>	VP F&R
M21/82	<p><b>ANNUAL REPORT FRAUD, BRIBERY AND WHISTLEBLOWING</b></p> <p>The annual report on Fraud, Bribery and Whistleblowing had been circulated and it was noted that although a gift had been received by the Apprenticeship Manager and Assistant</p>	

	Apprenticeship Manager from a commercial organisation, they were not the decision makers in relation to any purchases or contracts.	
M21/83	It was also noted that there had been an instance of whistleblowing during the year which was currently under investigation. A special meeting of the Committee would be held in the summer to consider the report from that.	DG/Chair
	<b>POST-16 AUDIT CODE OF PRACTICE</b>	
	<b>Compliance Mapping</b>	
M21/84	The Director of Governance presented the compliance mapping against the Post-16 Audit Code of Practice and the contents were noted.	
	<b>Terms of reference</b>	
M21/85	The terms of reference had been updated to reflect the changes to the Post-16 Audit Code of Practice and the Committee <b>recommended</b> them to the Board for approval.	
	<b>REVIEW OF COMMITTEE EFFECTIVENESS</b>	
M21/86	The Director of Governance presented the results of the Committee’s review of effectiveness and members agreed that it was a positive outcome. It was agreed that a “don’t know/can’t answer” option should be added to the questionnaire in future, particularly for co-opted members.	DG
	<b>REVIEW OF MEETING</b>	
M21/87	The Committee reviewed the effectiveness of the meeting and acknowledged the efficient running of the meetings, with high quality and timely papers.	
	<b>Date of next meeting</b>	
M21/88	Members noted that the next meeting of the Committee was scheduled for 5.30pm on Thursday 24 November 2022.	
	The meeting closed at 7.10pm.	