Governing Body
AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the meeting held at 5.00pm on 5 March 2018

Present:	**J Gazzard (Chair)**	**A Maltpress**
	H Nydam	**K Heathcote**

In Attendance: **S Jones, Vice Principal Finance and Resources**
P Ewan, Head of Finance
S Gerber, IT Services Manager
P Goddard, Scrutton Bland
J Bridges, Clerk

No interests relevant to items on the agenda were declared by members.

Action

1   **Apologies for absence**
Apologies for absence were received from N Roberts plus L Keane of Scrutton Bland and C Sutherland and J Smith of RSM.

2   **Minutes of the meeting held on 21 November 2017**
The minutes of the meeting were agreed as a correct record subject to amending the word 'Chari' to 'Chair' against N Roberts name in the list of those present.

JBridges

3   **Matters Arising**
From the minutes of the meeting held on 21 November 2017:

2   **Minutes of the Meeting held on 10 October 2017**
The minutes have been amended as requested.

3   **Matters Arising**
The auditor's performance questionnaire was completed by Members of the Committee and returned to the Clerk. The Corporation approved the annual report of the Committee at the meeting held on 14 December 2017.

4   **Internal Audit Tracking Report**
S Gerber, IT Services Manager, has been invited to attend the meeting as requested if recommendations arising from the Data Security Internal Audit Report have not been discharged.

5   **Camera Equipment Investigation Report**
An update is provided for under agenda item 5.ii. of this meeting.

6   **Draft Committee Annual Report 2016/17**
As noted above the questionnaires were completed by all and the Corporation approved the Annual Report of the Committee at the meeting held on 14 December 2017.

8   **External Audit Finding's Report**
The Committee had asked for our Finance team to liaise with the UoS to ensure that all income due is recognised by the University. A positive discussion with the Finance Director of the UoS was held on 24 November 2017 although a final completion statement from the UoS is still to be received despite two subsequent requests for the information. This has now been

received (2 February 2018) and forwarded to the Assistant Principal for HE to establish a process to receive this on an annual basis as a matter of course. The Vice Principal Finance and Resources will report back to the Committee once the process has been concluded.

SJones

The Corporation approved the Financial Statements and Annual Report together with the letters of representation for the Financial Statements and Regularity Audits at the Corporation meeting held on 14 December 2017.

4   Internal Audit Recommendation Tracking Report
Members considered progress towards completion of recommendations arising from internal audit work. Since the last report in November 2017 one of the nine recommendations is partially complete and six out of nine remain as work in progress. The two recommendations arising from the Governance Internal Audit work are to be progressed in the Spring and Summer Terms and are not a priority at this time.

S Gerber, IT Services Manager had been invited to attend the meeting to give a progress report on the outstanding recommendations arising from the Data Security Internal Audit Report.

The audit concluded that the password policy of the College required improvement and this recommendation has now been progressed. All staff have to have a 14 character password/phrase. This will be an annual requirement for Business Support staff to change in February each year and in October for teaching staff.

The windows 10 upgrade has been progressed with student and staff profiles/PCs. There are 138 devices left to upgrade (4.6% of users). An encryption project plan has been drawn up and there are a number of staff laptops that are still in the queue for windows 10 upgrades and these are being prioritised.

It is anticipated that data encryption will be in place ahead of May 2018. This will aid our compliance with the new GDPR legislation. It was noted that encryption for students will not be undertaken. Students do not have access to College data and therefore this does not fall under the GDPR data sharing/retention compliance rules.

It was noted that the College was recently subject to an internal audit review of our preparedness for GDPR. The College performed well and is abreast of what the legislation means to the data and how it is stored and shared under GDPR. The Committee felt assured that the College is preparing itself appropriately for the new regulations.

S Gerber left the meeting at 5.20pm

5   Internal Audit Reports
i. *Follow up of Previous Cash Handling Report*
A follow up audit to review the progress made with implementing the recommendations raised in the 2016/17 audit report on Cash Handling was undertaken as part of the Internal Audit Plan for 2017/18.

Auditors confirmed that the College has made good progress in implementing the recommendations made by them in the 2016/17 audit report, which was issued in February 2016. Of the nine recommendations raised, seven have been implemented in full, one has been partially implemented and one has not

been implemented but is in progress. The Committee asked that the due date for completion is amended and/or updated if the estimated date of April 2018 is not likely to be met.

<div align="right">PEwan</div>

ii. *Media Investigation*

This investigation was undertaken in addition to the 2016/17 Internal Audit Plan and was designed to independently review the circumstances surrounding the identified missing cameras within the Media Department in June 2017.

On 13 June 2017 the Director of Performance, Conservatoire East, reported to the Vice Principal, Finance and Resources that nine cameras and lenses had been found to be missing from the Media Department. The total estimated value of the cameras and lenses was £8,775.

An internal investigation and analysis of existing security controls was undertaken immediately after the incident by the Director of Performance, Conservatoire East and this was reported to the Vice Principal, Finance and Resources. At this time insufficient evidence was identified to take any further action. We consider that the approach taken to conduct the internal investigation was appropriate.

The outcome of the interviews did not produce any clear evidence regarding what happened to the missing cameras. Due to the high number of control weaknesses, it is likely that a conclusion will not be reached and the cameras will not be recovered as the cameras were accessible at various times to staff, students and external visitors to the College.

Auditors have raised five low risk recommendations and six medium as detailed in the action plan of the report to improve the performance of the system of internal controls.

iii. *Learner Progress*

The objective of this audit was to confirm that the progress made by Further Education learners is being monitored through the use of Markbook and OneFile and that the output information is used to effectively support individuals and the rigour in which this is being adhered to in practice.

The audit work has found that the MarkBook system and ProMonitor systems are being used consistently throughout the College by members of staff. A good level of detail has been recorded with regard to the progress of the learners reviewed and that the support put in place for the learners is appropriate.

OneFile is being well utilised by members of staff to record the progress of Apprenticeship learners and during the audit it was identified that not all Apprenticeship learners have been assigned a red, amber or green (RAG) rating on the OneFile system and steps are to be taken to ensure that each learner is assigned a rating to allow progress to be effectively monitored (recommendation 1).

The OneFile reporting requirements of the Vice Principal Quality and Student Experience, C Shaw, are to be established and appropriate reports to be produced to allow the Vice Principal to maintain an oversight of learner progress (recommendation 2).

Learners who are at extreme risk of withdrawing are put onto a Positive Intervention Plan (PIP) and a Senior Personal Support Tutor has the responsibility for monitoring learners on PIPs. The process was introduced during the 2016/17 academic year and 89 learners were on PIPs during the year. These learners were worked with closely to encourage them to re-engage with the College and positive outcomes were achieved for 40% of the learners. This is considered to be a good outcome and the process is continuing for the 2017/18 academic year. The Committee commended the work of the PIPs and the staff involved in supporting the retention of high risk students.

It was agreed that the summary audit reports are to include the comparison tables of other Colleges usually included in the full reports as members said that the performance of other Colleges are a useful indicator and benchmark to measure ourselves against.

PGoddard

Two low risk recommendations are detailed in the Action Plan of the report to improve the performance of the system of internal controls.

iv. *Payroll*
The objective of this audit was to confirm that the College's new Payroll system has been successfully implemented and that the controls in place surrounding the payments to members of staff are working effectively in practice.

The audit work has found that the actions taken by the College to implement the new payroll system, Cintra, were appropriate and resulted in the successful migration of data from the previous system used. The College is continuing to develop the reports that are produced by the Cintra system in order to enhance the efficiencies relating to the sharing of data between the Human Resources Department and the Payroll Department. Auditors consider that the planned improvements to the reports are appropriate.

There are three areas where auditors consider that improvements should be made with regard to Payroll processes and these include ensuring all members of staff are attached to a pay spine on the system (recommendation 1), ensuring members of hourly paid staff who have not recently worked for the College are made staff leavers (after 3 months) on the system (recommendation 2) and ensuring pay variances between months are adequately explained on the variance reports (recommendation 3).

Three low risk recommendations have been made as detailed in the Action Plan in the report to improve the performance of the system of internal controls.

As an end user, Staff Governor, K Heathcote commented that Cintra is a much easier system to use and reporting capabilities is far more advanced than the previous system (ClearVision).

6 **Internal Audit Progress Report**
The Progress Report confirmed that the Payroll, Cash Handling and Learner Progress internal audit work has been carried out. Payroll and Learner Progress audits received significant assurance levels and the update on Cash Handling has made Good Progress. The Committee will receive the remaining audit reports covering GDPR Preparedness, HE Student Recruitment, HE Quality Management, SAR and QIP Processes and Post-Levy Implementation

at the meeting to be held in June 2018. The Recruitment, Performance Management and Succession Planning audit work will be undertaken post meeting so that report will be shared with the Committee at its first meeting in the 2018/19 academic year.

7 **Risk Management Update**
At a glance the number of risks with a high likelihood of occurrence has decreased by 1 leaving just 2 risks in the red zone between the months of October 2017 and February 2018 and the number of risks within the medium (amber zone) has also decreased by 2 from 11 down to 9. Risks in the yellow zone (16) have increased by 2 from 14 (October 2017) with the same number (12) in the green zone (low risks) from October 2017 to February 2018. There are no new risks added to the register and one risk (R089 – failure to recruit international students into HE courses for 2018/19) has been removed.

The Committee agreed the actions required associated with the top risks on the register and commented that they felt SMT had appropriately identified what else needed to be put in place to minimise/reduce the level of risk. It was further noted that two of the future audits cover the top risks around HE recruitment and Apprenticeship Levy implementation.

8 **Committee Meeting Times**
The Clerk will look to convene meetings of the Committee in the 2018/19 academic year on a Tuesday at 5.00pm.

9 **Any other business**
The Staff Governor, K Heathcote confirmed that this is her last meeting of the Committee as she is to take up a post at Edinburgh College and leave West Suffolk in April 2018. The Committee wished her well and thanked her for her contribution to the work of the Committee.

Date of next meeting
Tuesday 19 June 2018 at 5.00pm. Room TG1.16

The meeting closed at 5.50pm