

Governing Body
AUDIT AND RISK MANAGEMENT COMMITTEE

Minutes of the meeting held at 5.00pm on 10 February 2020

Present: **J Gazzard (Chair)** **J Wakelam**
 H Nydam **N Roberts**

In Attendance: **P Goddard, Scrutton Bland**
 L Keane, Scrutton Bland
 S Jones, Vice Principal Finance and Resources
 J Raffel, Group Director Finance
 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 A Maltpress, C Sutherland and L England of RSM UK LLP.

2 Minutes of the meeting held on 26 November 2019
 The minutes of the meeting were agreed as a correct record.

3 Matters Arising from the meeting held on 26 November 2019
 The matters arising from the meeting were summarised in the report and all actions reported had been completed or, where appropriate an update had been provided on progress elsewhere on the agenda.

It was noted that further to the penetration test of our firewall ports back in December 2019 the College achieved a perfect 'TruStealth' rating.

4 Internal Audit Recommendation Tracking Report
 The Committee received the report and considered the progress made towards completion of the recommendations arising from the internal audit work undertaken in the 2018/19 academic year. Since the last report in November 2019 3 of the 6 recommendations are in progress, 2 remain ongoing and 1 is making good progress.

5 Internal Audit Reports
 i. ***Governance and Risk Management***
 The objective of this audit was to confirm that the governance framework is appropriate and to confirm that the College's Risk Register fully and adequately describes the risks that the College is exposed to, that the controls in place to mitigate these risks have been identified and recorded and that the risks have been appropriately assessed.

Auditor's awarded a Significant Assurance (green status) opinion commenting that the College's governance framework has undergone significant change over the last four years, with the introduction of the Suffolk Academies Trust (SAT). Their review found that there are areas for improvement regarding the Governance framework, in particular the structure, attendance and timing of the Committee meetings and these changes are to be implemented immediately. It was also noted that a recommendation had been made with regard to a review of the SLA in place between the College and the Trust to ensure that the responsibilities of the Clerk are documented and that the Trusts Articles of Association are being complied with. This has been taken forward by the

Remuneration Committee of the College to ensure that responsibilities are documented and transparent.

With regard to the review of risk management auditors consider that the risk management framework remains appropriate and recommended just one low risk action that the College Secretary will take forward specifically around completing a more comprehensive review of the register and associated board assurance map.

ii. Apprenticeships

The objective of this audit was to confirm that the College is effectively delivering within the structure of the Apprenticeship Framework and are compliant with the ESFA funding requirements.

A Reasonable Assurance (amber status) opinion was awarded in recognition that the College needs to create two separate documents for Commitment Statements and Apprenticeship Agreements, as currently a combined document is in use, which is not compliant with ESFA rules. Auditors also identified some issues (one high, two medium and two low risk recommendations) regarding the timely completion and signing of these documents and management have confirmed that these recommendations will be actioned immediately and completed this month. It was noted that the department has requested the appointment of a compliance officer whose remit will be to ensure that funding rules are adhered to and managed appropriately so this will help to resolve these audit findings. It was noted that the reasonable audit assurance of this report compared to other providers should be seen as positive as others have resulted in more high risk recommendations being made and actions taken at a less responsive pace than here at the College and certainly the appointment of a Compliance Officer, in the opinion of Internal Auditors, was a positive step forward indeed.

iii. Budget Setting and Control

The objective of this audit was to ensure that the budget setting framework is appropriate and fit for purpose to achieve the objectives of the College and that budgets are adequately controlled and managed in year.

Auditors awarded a Significant Assurance (green status) opinion commenting that they had found the College's 2019/20 budget had been developed based on clear and robust rationales and the level to which budget holders are involved in the planning phase, including the training provided and the early timing of the initial budget submission, was to be commended. Three low risk recommendations were issued. Two are to be actioned immediately, the third relates to the development of the 2020/21 budget and therefore will roll into the next academic year before completion.

The Committee was informed about the pending IFMC (Integrated Financial Model for Colleges) return which is due for submission by the end of February 2020 to the ESFA. The IFMC requires Colleges to predict its financial position up to 2022/23 and this is a significant piece of work that has to be turned around in a very short period of time.

iv. IT Infrastructure

The objectives of this audit were to a) ensure that the College's systems and network are adequately secured and that the College has appropriate mechanisms in place to enable it to recover adequately from a loss of its IT

systems; and b) confirm that the processes for processing staff starters and leavers on the College's network and core systems are appropriate.

A Reasonable Assurance (amber status) opinion was awarded in recognition that auditors had identified some areas where it was considered that improvements were required, most notably with regard to the College's anti-virus software as it has been identified that the data showing the number of machines not protected by anti-virus software included devices that are no longer in use within the College.

Three medium and 5 low risk recommendations have been made. Two of the medium recommendations are set to be actioned August and post-August 2020 around the Colleges IT Disaster Recovery and the Business Continuity Plan. All others (one medium and 5 low) are all targeted to be completed by April 2020 including a review of our anti-virus software updates and disabling accounts and services to third parties, alerting staff to identifying phishing/scam emails, backup restoration testing and new starters set up and processing leavers. The Internal Audit Recommendation Tracking Report (agenda item 4 of these meetings) will track the progress of these recommendations over the coming months and will be reported back to the Committee.

v. Payroll and Fixed Assets

The objectives of this audit were to a) ensure that the payroll framework is administered effectively and is compliant with internal and external requirements; and b) provide assurance of the completeness and accuracy of the fixed assets register, including ensuring appropriate procedures are followed and authorisation is in place surrounding the disposal of assets.

Pleasingly, this audit was awarded the highest assurance opinion, Strong (green status). Auditors commented that the controls in place surrounding the management of the College's payroll system and fixed assets were found to be robust and well enforced. It was noted that as a result of this review no arising recommendations were raised.

6 Internal Audit Progress Report

The progress report shows the planned dates for the forthcoming internal audit work and the dates the reports will be received by the Committee. There were no issues to report with the plan.

Five of the eight reviews have been completed and the reports finalised (as reported above under agenda item 5). The remaining three reviews are to be carried out over February, March and April. These cover reviews of Human Resources, Learner Records - Funding Assurance and Estates Management, Health and Safety and Work Placements. These reports will come to the Committee at the meeting to be held in June 2020.

7 GDPR Update

The College has dealt with 2 Subject Access Requests since 25 May 2018. One request was satisfied, the other declined due to the excessive volume of the information required. The College Secretary is currently developing refresher training to educate staff to recognise what a subject access request may look like and the form by which they can be received.

The Breach Book was opened on 25 May 2018 and the College has experienced and logged 44 breaches in this time. 2 of these breaches, as previously reported were reportable to the ICO and posed no further action. Both cases are closed.

The report detailed that 22 cases were due to information being disclosed in error; 6 cases of information lost in transit; 4 cases of non-disposal of information; 5 cases of Technical/Procedural Failure; 2 cases of stolen data/hardware; and 5 other cases.

8 Risk Management Update

At a glance the number of risks (current position) with a high likelihood is 1 in the red zone; 2 amber; 17 yellow and 15 in the green zone (low risks). There are no new risks added to the register and no risks have been removed.

It was noted that the 2 HE risks (R087 and R088) are to be moved up the register as these are priority risks on our radar. Nationally it was noted that the HE sector is experiencing lower UCAS applications and this certainly is a driver to upgrading these risks on our register.

9 Committee Meeting Times

The Committee confirmed that they wish to continue to schedule the Audit and Risk Management Committee meetings on a Monday at 5.00pm for the 2020/21 academic year.

10 Any other business

None

Date of next meeting

Monday 22 June 2020 at 5.00pm. West Suffolk College - Room TG1.16

The meeting closed at 5.55pm