



Confirmed Minutes

Present: Mr A Nelson (Chair), Mr K Webb, Mr N Uppal and Ms K Flemming (80%)

In attendance: Mr A Shaw, Mr R McLauchlan (Wylie & Bisset), Mr A McCulloch (Tiaa), Ms J Pryce, Ms Z Shackleton (agenda item 5 only) and Mr G Wright (Observer).

Clerk: Mrs C Coupland

1. Apologies for Absence/ Declaration of Interest

Apologies for absence had been submitted by Ms H Haigh who remains on maternity leave. Congratulations were recorded to Ms H Haigh and family on the safe arrival of their new family member.

There were no declarations of interest.

The Committee welcomed Ms Fleming to her first Audit Committee Meeting. Time was also taken for introductions to be made for the benefit of Mr G Wright who had attended the meeting as an observer.

2. Minutes from Meeting held on 28th November 2017

Resolved:

- That these be accepted as a correct record.

3. Matters arising

Financial Statement and Members Report 31st July 2017:

Mr Shaw confirmed that the signed financial statements and members report were forwarded onto the ESFA by 31st December 2017.

Final Audit Findings Report for the year ended 31 July 2017:

Mr Shaw confirmed that the letter of representation had been signed by the Chair and the Principal.

Risk Appetite Statement:

Mr Nelson advised the committee that the Statement of Risk Appetite had been approved by the Corporation at its last meeting in December 2017.

Audit Committee Annual Report 2016/17:

Mr Nelson confirmed that the signed Audit Committee Annual Report had been forwarded onto the ESFA.

Any other business:

The Clerk presented possible options to the committee to address the 'light' agenda at the November meetings. The pros and cons for each of the options were duly considered by the Committee. After a robust discussion it was agreed that current practice was favoured and should

remain. All noted that the swift meetings were in part due to the absence of any findings of note or recommendations from the external auditors.

4. External Audit Strategy and Planning Memorandum

Mr McLauchlan presented his report to the Committee.

The purpose of the report explained the scope of the Audits of the financial statements and regularity, the proposed audit approaches and highlighted the key risks that Wylie & Bissett will be focussing the external audit work upon.

The Committee considered and agreed to the timetable and communication plan proposed to ensure timely audit findings report.

It was noted however that the presented report needed updating with the College's revised mission (as of August 2017) and that an audit response had been omitted on page 6 of the risk areas (Covenant Compliance).

Resolved:

- **To approve the External Audit Strategy and Planning Memorandum, subject to amendments.**
- **For Mr McLauchlan to ensure that the Clerk receives an updated strategy and planning memorandum with the required amendments.**
- **For the Clerk to confirm dates of meeting for the Autumn Term of 2017/18, once agreed.**

5. Internal Audit Reports

Mr McCulloch presented his reports to the Committee.

Assurance Review of Estate Management:

This review considered how the College monitors and meets its health and safety obligation in relation to its property estate. This included consideration of cyclical testing in line with regulation and guidance and how the monitoring arrangements provide assurance to senior management that effective practices are in place. The overall assurance assessment assigned was reasonable assurance.

As a result of the audit – 2 important and 1 routine action points were recommended. All actions have been accepted by management - implementation dates and responsible officers have been identified and listed within the final report. Members were in agreement with the management's responses and noted the seriousness with which management representatives were taking the recommendations. A robust discussion was had on the 2 important action points raised within the report in particular members' disappointment on fire doors being held/propped open. Ms Shackleton confirmed that this was a long-standing problem encountered regularly by Mr Hirst – the college's Director of Estates. Time was taken for members to share suggestions as to how college management might best address this issue and secure staff compliance with fire safety; it was also agreed useful for time to be taken to better understand the root cause behind the unsafe practice; especially with known persistent offenders. It was also agreed necessary for Mr Hirst to formally log all issues identified relating to health and safety, maintenance, fire compliance or signage whilst undertaking campus walks.

Ms Shackleton also advised the members that there had been an oversight on the outstanding risk assessment in relation to water hygiene given the legacy arrangements picked up by Mr Hirst from his predecessor. The committee accepted this explanation given that documentation in relation to testing of water hygiene was found to be up to date and that the college had taken immediate remedial action.

The Clerk confirmed that Mr Hirst had agreed to present a progress update (on the implementation timetable for each recommendation) to the Finance and Resources Committee at its next meeting. Members agreed to this.

Mr McCulloch explained that the audit findings were however to be viewed as positive when considered against relevant benchmarking data for comparative purposes; with one identical review attracting 3 important, 4 routine action points and 1 operational effectiveness matter at another establishment.

Assurance Review of Funding – MIS and Data Management.

This review considered the checks completed by MIS staff in relation to learner records. Compliance testing was carried out to test data completeness / accuracy. The overall assurance assessment assigned was substantial assurance. Overall conclusions within the report confirmed that the college has robust processes in place to ensure the student records that underpin funding claims are accurate and that audit testing did not identify any anomalies.

Mr McCulloch confirmed that no recommendations or operational effectiveness matters were identified.

Appraisal Review of Governance Structure and Process.

The committee were informed that a draft of this audit had been received at Search and Governance committee. Mr McCulloch informed the committee that the final report for this audit will be presented to the committee at its next meeting following the inclusion of some additional information on the nature of the audit process. The Committee was however satisfied to note that substantial assurance had been assigned to this audit with the overall conclusion being that the college has appropriate controls in place to facilitate the effective operation of the Corporation, Committees and Senior Leadership Team. No action points or operational effectiveness matters were therefore identified.

Resolved:

- **To receive the reports**
- **To congratulate all staff on the positive audit findings**

Ms Shackleton left the meeting at this point.

6. Recommendation tracking

Mr Nelson asked the Committee to note that this was a standing agenda item.

Mr Shaw subsequently confirmed that there have been no further Internal Audits undertaken since the Committee last met. As reported at the last meeting, all recommendations on the tracker have been completed but will remain on the tracker until the follow-up audit confirms this to be the case. The follow up audit will not be undertaken until May/June 2018. The tracker will however now be updated with the accepted recommendations from the recent assurance review of Estate Management.

Resolved:

- **To receive the report**

7. Board Assurance Framework: Mid Year Review.

Ms Pryce informed the committee that all major risks impacting the college remain subject to formal reviews at each of the Risk Management Group Meetings; which are held every half term. Any significant changes to risk scores would be recorded in the BAF change log and reported to the Clerk for representation to the responsible committee / corporation; as deemed necessary. Ms

Pryce also confirmed that the timeframe for each assurance review, throughout the academic year, was planned with the Clerk in order to schedule risk presentations with relevant corporate and committee agenda items to best maximise on assurance sources at time of consideration.

Ms Pryce informed the committee that the revised assurance review template had been well received by the staff monitoring and reporting on risks. The committee welcomed this feedback and also agreed that the template was an effective reporting tool for governors as it clearly identifies all internal and external sources of evidence to support assessments on the adequacy and effectiveness of actions being taken by the college to manage the risks posed.

A comprehensive review of each of the risks identified within the Board Assurance Framework was undertaken. Ms Pryce provided updates to the Committee on the current position of the most significant risks. All present acknowledged that next week's strategy meeting will help explore and identify any other emerging strategic risks which may feature on the risk register going forward into the new academic year. Ms Pryce also confirmed that as per the BAF operational process a formal review of the risk register will be again undertaken by the Risk Management Group at its next meeting; outcome of which will be reported back to the committee.

From the discussions had, the Committee was satisfied that the BAF continues to identify the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Members agreed that risks continue to be prioritised using a consistent scoring system and that the Board Assurance Framework continues to provide an adequate and effective framework for risk management.

Resolved:

- **That the Board Assurance Framework be received**

8. Initial Assurance Review: Failure to meet the new General Data Protection Regulation (GDPR) by 25th May 2018.

Ms Pryce informed the committee that the comprehensive executive summary was intended to provide additional information to:

- Assure committee members that the college can meet the three priorities set out as Governors' roles within the GDPR (as presented at the recent Eversheds Sutherland training event)
- Provide clarity surrounding the role of Data Protection Officer
- Support the completed assurance report on the BAF risk relating to GDPR.

Members required clarity on the reporting arrangements planned for known data breaches. It was acknowledged that it is the College's duty as a data controller to report any breach to the ICO via the DPO and that there is to be no by-passing of SLT role and responsibilities and line management structures. This means that before the DPO notifies the ICO, there would be full college involvement to enable a detailed account in the first instance (of what has happened and the action taken to resolve the breach) being reported to the ICO. This informed approach to reporting any data breaches was endorsed by the College's internal Auditors given experience from other sector clients. The committee asked for the executive summary to be amended to better reflect this arrangement given that it had been deemed useful for this paper to be shared more widely with the Corporation.

The presented BAF risk and subsequent discussions at the meeting provided the necessary assurance to Members that the college's preparations and planned implementations are adequate to work towards securing compliance with legislation requirements. Members were satisfied that

the College's project team were aware of potential risk areas via data mapping and gap analysis and had a detailed and robust plan that identified steps to be taken to address them.

The Committee acknowledged the limitations to the range of external assurance sources currently available given the state of readiness for May 2018 but was satisfied with the College's plans to seek external consultation (via Eversheds or other expert) to review all updated policies and procedures in due course. Members also acknowledged that there is a planned internal audit of GDPR for February 2019. Both Auditors (internal and external representatives) commended the college's thorough efforts to date in preparation for and planned management of GDPR requirements.

In reviewing the risk, committee members were able to provide some additional guidance and support regarding identification of assurances to be recorded in the BAF documentation which were welcome and accepted by the SLT representative.

The Committee concluded that it was satisfied by the Senior Leadership Teams responses and welcomes an update at its next meeting.

Resolved:

- **That the risk be awarded green assurance**
- **For the Clerk to update the Master BAF**
- **For the updated executive summary and assurance report (along with the appended operational implementation plan and draft student privacy notice) to be shared with the Corporation.**

9. Any other Business.

There was no other business for the Committee to consider.

10. Learner Impact Reflection

The impact of discussions and scrutiny of the Committee work in improving the outcomes and experience for all learners was considered and the following agreed:

- **Assurance received that the college is maintaining strong financial procedures, to ensure funding is allocated to the most appropriate areas, to maximise the Student learning, Experience and outcomes.**
- **Assurance received that the college continues to have an adequate and effective framework for risk management.**
- **Assurance that the college is committed to creating a culture of protecting privacy and personal data ensuring that students can have confidence that their information is being protected and used appropriately.**
- **By assuring the process for responding to the requirements of the GDPR, the college is able to minimise the potentially significant financial consequences. Minimising this risk to the financial health of the college ensures students are able to receive maximum benefit from college funding.**
- **The overall audit opinion provides assurance that the college has an adequate and effective framework for governance, risk management and internal control.**
- **Ensuring that the College is maintaining the quality of learning to maximise the Student Learning, Experience and Outcome.**
- **Assurance received that the college remains compliant with regularity and propriety requirements as per the terms and conditions of funding.**

11. Determination of confidentiality

All supporting documents relating to the Board Assurance Framework were deemed to be confidential given the sensitive nature of information detailed.

13. Date of next meeting: Tuesday 12th June 2018.