

Minutes of a meeting of the Audit Committee held on 28 January 2019 at 5.00pm in FO27

Present: Robert Milburn (Chair); Norma Boyes; Denise Rollo; Stuart Williams

Apologies: Claire Madden

Also present: Patrick Clark (Internal Auditor, Icca Ets); Laura Watson (External Auditor, Armstrong Watson); Karen Wilson, Deputy Principal, Jane Murray (Clerk)

01/19 Chairman's Address

As incoming Chairman, Robert Milburn recorded his thanks to Andrew Oldham for his Audit Committee work. He looked forward to focusing on the controls in place to minimise risk and the quality of audit work in identifying any issues.

02/19 Declarations of Interest

None received.

03/19 Internal Audit: Curriculum Planning and Timetabling

The internal auditor noted that this was a good report, with substantial assurance. There was an effective framework in place covering all key expectations.

There had been one medium recommendation arising from a failure to convert the applications of 355 potential students, suggesting that further analysis into the reasons be carried out.

The Deputy Principal had accepted the recommendation and gave assurance that analysis had been going for some time. It was clear that in some instances, the College was seen as a second choice. It was also the case that the College would need to adapt its offer to accommodate some students, who were not ready for college life and consideration was being given as to what an offer might look like. Parental engagement was another area under consideration. It was noted that a presentation of the review of the learner journey had recently been given to Finance and Corporate Working Group.

The Chairman noted that it stood out from the report that there were good controls and processes in place and was given assurance that any further review would be carried out in time to impact on the coming year's enrolment.

04/19 Internal Audit: Security of IT and Disaster Recovery

The internal auditor noted that this report had been carried out by an IT specialist and had been a thorough review. The report had given reasonable assurance. There were nine recommendations arising, but the internal auditor noted that this was not unusual.

Many of the processes and procedures were happening, but informally and not formalised into an overarching data security policy, and in respect of cyber security, not formally part of the crisis management plan. There was a call to strengthen access controls through the redesign of passwords, management noting that there was also a need to remember the complexity of dealing with students and their abilities to recall passwords. The recommendations also included a prohibition on the use of USB sticks and a tightening of protocols in respect of starters and leavers. A further recommendation recommended by firewall testing on an annual basis by a 3rd party, in addition to formalising the frequency of internal checks.

The report also suggested a second Janet connection into a second the building on the site in respect of resilience. While agreed in principle, the capital cost/bid required was noted.

While accepting the recommendations, the Deputy Principal would have liked to have seen fewer recommendations, but in response to questioning, felt that the restructuring which had taken place, separating out the help desk from the development work which needed to take place, was having a helpful impact.

05/19 Internal Audit: Sub-contracting Certificate (External Assurance Review)

This was required as part of funding agreements on sub-contracting and the internal auditor had no issues to raise on either apprenticeship or adult sub-contracting. There was one advisory recommendation to formalise contingency arrangements in the event that either the College or the sub-contractor withdraws from their agreement.

06/19 ESFA Audit: Price Waterhouse Cooper

This was a 2017-18 funding audit. Not normally an annual occurrence, this was the second consecutive year that auditors had arrived, the college having come up in a random sample. This was a relatively clean report, with only minor issues uncovered arising in part from rule changes in the throes of implementation, with the auditors noting compliance with Funding Rules and other appropriate guidance.

07/19 ESFA Desk Top Audits

This was a further report of a desktop audit of the adult education and classroom learning for which there were no issues arising.

08/19 Audit Tracking Report

The Deputy Principal brought the Committee up-to-date with progress being made against recommendations. The Committee sought assurance that best practice was being shared on target setting and the Deputy Principal provided some examples of how this was being done.

The Committee noted some of the tight targets on GDPR recommendations, which they had considered at their last meeting and sought assurance that they would receive a GDPR annual report summary to the Board.

In respect of Capita, the Committee were assured that money paid over to Capita sat in a separate account and that there was 24 months to pay over the apprenticeship levy. In response to questioning the Committee were reassured that the Finance Manager had visibility of the money.

The internal and external auditors withdrew

09/19 Confidential Session

The external audit tender specification was received by the Committee who amended the split of the evaluation criteria in respect of quality and cost, but were otherwise content and the tender list was agreed.

The procedures of re-tendering internal audit were discussed and would be subsequent to the external audit.

Resolved – that authority be delegated to the Chair to liaise with the other Chairs of neighbouring colleges in respect of the internal audit.

The meeting closed at 6.30pm