



## HUDDERSFIELD NEW COLLEGE FURTHER EDUCATION CORPORATION

Audit Committee held on Tuesday 25th September 2018 from 5.00pm.

### Confirmed Minutes

**Present:** Mr A Nelson, Ms K Fleming, Mr N Uppal, Mr G Wright and Mr K Webb  
(attendance 84%)

**In attendance:** Mr A Shaw, Ms J Pryce, Mr A McCulloch and Ms R Sutcliffe for  
agenda item 5 only.

**Clerk:** Mrs C Coupland

#### 1. Apologies for Absence/ Declaration of Interest

Apologies were received from Ms H Haigh – Ms H Haigh is to return from Maternity Leave on 1<sup>st</sup> October 2018.

There were no declarations of interest.

Ms Sutcliffe was welcomed to the meeting, time was taken for introductions to be made.

#### 2. Minutes from Meeting held on 12<sup>th</sup> June 2018

##### **Resolved:**

- That these be accepted as a correct record, subject to the amendment of minor typographical errors.

#### 3. Matters arising

##### *i) Internal Audit Reports.*

The Committee noted that it had received the amended follow up 2017/18 report from Tiaa. Ms Pryce confirmed that the Governance Audit Report as considered by members at its last committee meeting had since been submitted to and accepted by the Senior Leadership Team. Ms Pryce also confirmed that staff are always congratulated on positive audit findings. Staff are referring to audit outcomes in their Personal Development Reviews as well as departmental Self-Assessment Review.

##### *ii) Recommendation Tracker:*

The Committee was satisfied with the revised template for the Audit Recommendation Tracker. The tracker is to be considered in full at agenda item 6.

##### *iii) Board Assurance Framework (BAF):*

The Committee noted that the BAF 2018/19 is listed as agenda item 4.

##### *iv) Code of Practice and Procedure on Whistleblowing:*

Mr Nelson confirmed that the revised whistleblowing procedure, as recommended by the Audit Committee, was approved by the Corporation in July 2018. The Clerk confirmed that the updated policy had been emailed to all staff and Students at the start of the academic year. The College's website had also been updated with the revised document as of August 2018.

##### *v) Post 16 Audit Code of Practice:*

Mr Nelson confirmed that the Corporation approved the committees recommended term of references at its meeting in July 2018. It was noted that the self-assessment element of the Audit Code of practice was included on today's agenda (agenda item 10).

#### **4. Board Assurance Framework 2018/2019:**

Ms Pryce presented the Board Assurance Framework for 2018/19; which included all the key business risks as identified with the college's risk register approved by the committee at its last meeting.

The Committee acknowledged that as requested at the last meeting Link Governors had not been assigned as contributory 'risk owners'. Ms Pryce confirmed that each risk had however been assigned to appropriate staff members to monitor and report on the risk. Identified Risk Owners also reflected the new Staffing Structure as of August 2018. The Clerk confirmed that assurance reviews planned throughout the academic year have been assigned to meetings where associated management reports are to also be presented.

The Committee noted that two of the new emerging strategic risks had not been fully populated in the Board Assurance Framework. Ms Pryce advised members that one of the risks had been assigned to the newly appointed HR Manager who was currently undertaking an updated assessment of the staffing related risk. The other risk although assigned to the Principal required input from a number of other staff members leading on associated risks; this item is to be discussed fully at the first Risk Management Group Meeting of the academic year- which is yet to take place. A constructive debate followed; audit members understood the delay in reviewing and determining the level of mitigation action being taken by the college to best manage and subsequently provide assurance on the impact and effectiveness of the college's risk management arrangements. However, it was agreed necessary and prudent to determine, as soon as practically possible, the inherent risk scores with additional time permitted to re-evaluate the residual risk scores once mitigation action had been fully reviewed. It was recognised that this was also a timely opportunity for staff to revisit risk management arrangements given that the Self-Assessment and quality improvement process was underway. Ms Pryce agreed to ensure that the Master BAF is updated with the required information. The committee welcomed an update at its next meeting.

#### **Resolved:**

- **To receive the Board Assurance Framework (BAF) Overview**
- **For the BAF to be populated with missing Inherent Risk scores as soon as possible.**
- **For the BAF overview to be re-presented at the next Committee meeting for further review.**

#### **5. BAF Assurance Review: Poor IT and Data Security and Service.**

The Committee welcomed the opportunity to receive an assurance update on the extensive IT security upgrades completed during the summer. Members agreed that the breadth of information included had provided the necessary assurance that the existing controls in place are adequate and effective and in proportion to the individual risk being managed.

Additional assurance sources were raised throughout discussions that had been omitted from the assurance report. In particular that the comprehensive HNC IT Security Framework followed the auditors recommended template for best practice and regulatory compliance.

Ms Sutcliffe and Ms Pryce confirmed that the HNC IT Disaster Recovery Plan and IT Business Continuity Plan were the key associated framework policies and procedures for this specific risk. The Colleges general Disaster Recovery and Critical Incident Plan will be used to inform the next scheduled assurance review on business continuity planning and critical incident management due in November 2018. Ms Pryce reminded members that the Colleges Disaster Recovery and Critical Incident Plan, last approved by the Corporation in September 2017, had been significantly revised in line with the national context, particularly in relation to PREVENT, and that amendments to internal procedures have also been made with 'real life' emergency evacuation and lockdown testing is to regularly take place throughout the college.

The Committee agreed that an overall green assurance level shall be assigned to this particular risk.

#### **Resolved:**

- **To assign Green Overall assurance to the risk**
- **For the Clerk to update the Master BAF.**

*(Ms Sutcliffe left the meeting).*

## **6. Recommendation tracking**

Mr Shaw presented his report to the Committee.

He explained that all recommendations from audits undertaken during 2017/2018 have now been implemented but will remain on the tracker until confirmed as completed by the Internal Auditors' follow up review in 2018-19. Earlier points raised in 2016-17 which showed a green assurance have since been removed from the tracking document and there are no other items from other external, TPS or other audits to follow up.

Mr Shaw confirmed that the internal audit assignments to be agreed for 2018/19 shall be covered over two visits in February and May 2019. Mr McCulloch agreed to bring forward the follow up review given that all recommendations are reported to have been implemented. This approach was welcomed by the Committee.

### **Resolved:**

- **That the report be received.**

## **7. Internal Audit Annual Report 2017/18**

Mr McCulloch presented the 2017/18 Annual Report on the internal control environment at HNC. He explained to members that the annual internal audit report summarises the outcomes of the reviews that TIAA have carried out on the organisation's framework of governance, risk management and control. This report is therefore designed to assist the Corporation in making its annual governance statement.

Mr McCulloch confirmed to the committee that TIAA is satisfied that for the areas reviewed during the year that HNC has reasonable and effective risk management, control and governance processes in place. Also there is evidence to support the College's achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed.

### **Resolved:**

- **That the report be received.**

## **8. Internal Audit Strategy 2018/19**

Mr McCulloch explained to the committee that the proposed Audit Plan for 2018/19 had been developed by carrying out and update audit risk assessment to ensure that the planned coverage for the year is focussed on the key audit risk areas and that the coverage will able Tiaa to provide an overall audit opinion on the overall adequacy and effectiveness of the college's framework of governance, risk management and control as required for the Audit Committee's Annual Report.

Mr McCulloch explained that the proposed strategy is based on the inherent risks facing HNC as well as those within the sector. Mr McCulloch advised the Committee that the rolling strategic plan for 2018 /19 to 2020/21 had been drafted with Mr Shaw and Ms Pryce. The College Senior Leadership Team has also considered, and is in agreement with the proposed audit plan. The areas to be audited during this academic year are:

- Finance (assurance review of the Ordering, Receipts and Payments processes)
- Student Experience (Assurance review on the college's approach to and delivery of Pastoral Support and Guidance)
- Marketing (appraisal review of effectiveness)
- GDPR (Compliance Audit of key GDPR elements)
- Admission and Enrolment (assurance review of the effectiveness and efficiencies of process)
- Follow up

Governors were of the opinion that the Strategy for Internal Audit covers the College's key risks and assurance needs. The Committee was therefore agreeable to the proposed internal audit plan for 2018/19 based upon 20 days of audit activity.

### **Resolved:**

- **That the Internal Audit Plan for 2018 – 2019 be approved**

- **For the Internal Audit plan to be shared with all Governors.**

#### **9. Teacher Pension Scheme audit year ended 1st March 2018.**

The Committee received the external Auditors certificate to confirm that contributions had been made in accordance with the TPS Employer's Guide for the year ended 31 March 2018.

The Clerk confirmed that she had since received a confirmatory email from the College's External Auditors to verify that the end of year certificate and their unqualified audit opinion had been provided to the Teachers Pension.

**Resolved:**

- **That the report be received.**

#### **10. Post 16 Audit Code of Practice Self assessment questionnaire**

The Clerk reminded the Committee that the Post 16 Audit Code of Practice is relevant to accounting periods ending on or after 31 July 2018.

To support corporations in drafting the statement of regularity, propriety and compliance, the Education and Skills Funding Agency (ESFA) have again published a self-assessment questionnaire. The self-assessment questionnaire is a required element of the Regularity Audit.

Members duly considered the self-assessment questionnaire. Members were in agreement with the colleges responses, however clarification points were sought on some of the responses in turn prompting the need for further information to be included within the questionnaire.

The Committee was in agreement for the Principal as Accounting Officer and the Chair to the Corporation to sign and date the self-assessment, once updated with required amendments, prior to forwarding it onto the College's External Auditors.

Members also asked for staff to ensure that all abbreviations used within the responses have been explained in full in the first instance thus enabling all readers of the document to better understand its content.

**Resolved:**

- **That the report be received**
- **For the Chair and Principal to sign and date the Self-assessment Questionnaire, once updated with the required amendments, prior to forwarding it onto the College's External Auditors.**

#### **11. Any other Business.**

**There was no other business.**

#### **12. 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 has an adequate and effective framework for governance, risk management and control and has fulfilled its statutory responsibility for 'the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets'.**
- **Failure to respond adequately to IT service and data security could impact on students' learning, if we are unable to continue with our business for any length of time.**
- **Ensuring 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, in a reducing funding external environment,.**
- **Assurance received that the college has adequate resources to continue in operational existence for the foreseeable future.**

- **Assurances received that the college remains compliant with regularity and propriety requirements as per the terms and conditions of funding**
- **Effective risk management increases the probability of successful outcomes, whilst protecting the reputation and sustainability of the College**
- **The Committee recognises that the Corporation has a responsibility to manage internal and external risks as a key component of good corporate governance and is committed to embedding risk management to help achieve the College's strategic objectives**
- **Assurance that the college has compliance with laws and regulations**
- **Ensuring safety of students, the quality of safe learning provided, facilities, and funding of & Governor oversight of Strategic and Financial plans for students**

**11. Determination of confidentiality**

All supporting papers for the Board Assurance Framework are to be deemed confidential.

**12. Date of next meeting: Tuesday 27<sup>th</sup> November at 6pm (Joint with F&R)**