



Confirmed open Minutes

Present: Mr N Uppal, Ms H Haigh and Mr K Webb
(100% attendance)

In attendance: Mr A McCulloch (Tiaa), Ms J Thomas, Mr J Flynn Ms R Harris (to agenda item 5).

Clerk: Mrs C Coupland

1. Apologies for Absence/ Declaration of Interest

Mr Uppal advised the committee that Mr Leach had resigned with immediate effect; a decision prompted by change in professional commitments. Members wished to record their thanks to Mr Leach for his support, challenge and guidance during the time spent serving the committee.

Mr Uppal explained that the Committee is to be served by a further member once appointment has been confirmed by the Corporation at its next meeting in May 2022. The Clerk confirmed that the individual asked to join Audit and the Search & Governance committee are of the opinion that their scrutiny skills and genuine interest in assessment and quality assurances will be an asset to the committee.

There were no declarations of interested recorded.

2. Minutes from Meeting held on 29th November 2021

Resolved:

- That these be accepted as a correct record

3. Matters arising

Final Audit Findings Report for the year ended 31st July 2021

The committee was advised that the report had been received and approved by the Corporation at its meeting in December 2021. The Clerk confirmed that it had been signed by Ms Williams and Ms Summers and forwarded onto the ESFA in advance of deadline – 31st December 2021.

Financial Statements and members report 2021

The Clerk confirmed that the Financial Statements and Members' Report had been approved by the Corporation at its meeting in December 2021, duly signed by Ms Williams and Ms Summers and forwarded on to the ESFA in advance of deadline – 31st December 2021. The signed report was also posted on the college's website as required by the ESFA in advance of the deadline 31st January 2022.

Audit Committee Annual Report:

The Clerk confirmed that the Audit Committee's annual report had been presented to and received by the Corporation at its December 2021 meeting. The signed report had also been forwarded onto the ESFA as required.

4. Data Protection and Security Report 2021-22 (term 1) and Simulated phishing test report

Ms Harris reminded the committee that this report is produced termly to collate the results of security testing; PEN testing, email testing, attempted attacks, security breaches and cyber security risk assessments thus providing comprehensive assurance to SLT and Governors that the college is doing as much as it can to mitigate these risks.

Ms Harris confirmed that staff training for Cybersecurity is mandatory, certificated and refreshed annually, phishing tests take place for staff once a term. Student training for Cybersecurity is also mandatory and progress is tracked.

Results from the cybersecurity testing were also shared with the committee for the simulated phishing tests. It was noted that the email phishing test (Cyber-testing) was designed to evaluate teaching staff & governors' response in spotting false Office 365 emails. 2 members of staff failed this test. The committee was satisfied that further in-depth training was completed by these members of staff using an online training course. Staff also received a certificate of completion which was uploaded to their College IP staff area. Ms Harris confirmed that testing for support staff & the Senior Leadership Team is underway and results will be reported in the Term 2 report.

It was noted that on 01/10/2021: JISC PEN test essentials follow up test was undertaken. The Committee noted that the results had been reviewed and an issue had been flagged on the new SIEM (a security information and event management service) server which had been immediately resolved by the IT Services team. Further testing is scheduled for term 3.

The committee was satisfied that no critical or high risk issues affected the College adversely in term 1 and reported to be assured that the integrity of College security, networks and data had been maintained due to the high level of protection systems in place. It was agreed however that profile analysis of any email trends would be welcomed, if possible, in future reports. Members acknowledged that high risks users continue to be quickly identified, with follow up certificated training being provided to ensure that they understood how to identify cyber threats.

The committee were also mindful that due to the invasion of the Ukraine by Russia, the National Cyber Security Centre has called on all organisations in the UK to bolster their online defences. Ms Harris explained that in response to this, the IT Services team has been prioritising further preventative cyber security measures to boost our online defences. Staff have also been reminded that they have a personal responsibility to help defend the security of the College's IT network and so staff have been asked to extra vigilant, especially with emails.

Members agreed that the report continues to provide comprehensive assurance to the committee that the college is doing as much as it can to mitigate against cyber security risks. And in particular are continuing to follow all business processes and procedures designed to protect the college from fraud.

Resolved:

- **That the report be received**
- **To record the committees thanks to all staff, and the IT Services Team in particular, for their ongoing support in mitigating the college against cyber security risks.**

5. BAF Assurance Review: Poor IT and data security and service

The Committee welcomed the opportunity to receive assurance updates on the risk for IT and data security service.

The committee agreed with the risk owner's assessment that the residual risk scores had increased in light of the current increased cyber risks posed to the education sector. It was also noted that IT Security Framework is to now be reviewed annually rather than every two years by the Director of IT (Infrastructure & Technical Services) and Vice Principal Corporate Services and Planning alongside the IT Business Continuity Plan and approved by the Senior Leadership Team. It may be amended at any time following shared experiences of other Colleges which may have had to implement an IT disaster recovery plan. The committee was of the view that the IT security Framework was clear and comprehensive; Ms Harris addressed the small clarification points raised by members.

Members collectively agreed that the breadth of information included within the assurance reports had provided the necessary assurance that the existing controls in place are adequate and effective and in proportion to the individual risk being managed. It was also noted that there was a wealth of independent assurance sources cited within the reports thus confirming the college's commitment to best practice and regulatory compliance within this area.

Resolved:

- **To assign green assurance rating to the risk**
- **For the Clerk to update the Master BAF.**

- **That the IT Security Framework be received.**

Ms Harris left the meeting at this point.

6. Internal Audit Reports: Assurance Reviews

Mr McCulloch presented the internal audit reports which reports summaries the outcomes of the reviews that Tiaa have carried out and the management's responses to the proposed recommendations.

- Assurance Review of Governance Structure and Process

Mr McCulloch explained that the review considered the role and operation of the Corporation; standing orders and financial regulations; and delegated authorities. The review also considered governor recruitment, induction and training. The overall assessment awarded was substantial assurance. No recommendations had been made and no operational - effectiveness matters had been raised.

- Assurance Review of Student Experience and Pastoral Support

Mr McCulloch explained that review appraised the College's approach to and delivery of student pastoral support and well-being activities. This includes a review of the arrangements for: the tutorial programme; student welfare; health and well-being; careers advice; and work experience. The overall assessment awarded was substantial assurance. No recommendations had been made and no operational - effectiveness matters had been raised. Members were particularly satisfied with this outcome given that students' experiences has to date been significantly impacted due to COVID.

- Payroll

The Audit Committee was advised that the assurance review of pay roll had considered the arrangements for the creation, amendment and deletion of payroll records; payment of allowances and pay awards; and the payment of salaries. The scope of the review did not include any assessment of the organisation's furlough policy, eligibility or subsequent claim under the Coronavirus Job Retention Scheme. The overall assessment awarded was substantial assurance. No recommendations had been made and no operational - effectiveness matters had been raised.

- Follow Up Review

Mr McCulloch presented Tiaa's Follow up Report to the Committee.

Mr McCulloch explained to the Committee that the follow up review was carried out in February 2022 and considered whether the management action taken had addressed the control issues that gave rise to the recommendations from the below reviews:

- Follow Up 2020-21: Quality Assurance of Teaching, Learning Assessments 2019/2020
- Creditor Payments 2020/2021
- BAF Mitigating Control 2020/2021
- Budgetary Control 2020/2021

The committee was advised that there are no outstanding recommendations. All four recommendations have been fully implemented.

The Committee recognised that all the audits undertaken had provided comprehensive assurance as to the sound systems of internal controls; which is credit to all staff. Time was however spent considering how staff does not become complacent in their work with the expectation of good outcomes from audit procedures. It was noted, in particular, that the Board Assurance Framework continues to support all staff in remaining vigilant and committed to seeking out good practice given the regular scrutiny from Governors via assurance reviews. Furthermore, it was recognised that regular rotation of auditors and quality assurance reviewers at Tiaa provides additional assurance as to the independence and robustness of audit arrangements.

- Summary Internal Controls Assurance (SICA) report

Mr McCulloch explained that the SICA report was intended as a summary controls assurance report for the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of work at Huddersfield New College as at 4th March 2022. It also confirmed the progress being made against the 2021/22 Annual Plan and that there are no proposed changes to the Annual Plan. Members were also advised that the summary report confirmed that Tiaa had not made any Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous meeting of the Audit Committee. And that Tiaa have not been advised of any frauds or irregularities in the period since the last meeting of the Audit Committee.

Resolved :

- **That the reports be received**
- **For the minutes to record the committee's thanks to all staff that contributed towards each of the audit reviews.**

7. Recommendation tracker (Internal and External)

Ms Thomas confirmed that the recommendations taken from the recent Internal Audits had all been completed given the successful outcome of the recent Follow up Review. Ms Thomas explained that all recommendations relating to the external Audit Review had also been implemented but will remain on the tracker until officially signed off by the external auditors in November 2022.

Resolved:

- **That the report be received**

8. Risk Register & Board Assurance Framework: Overview

The Committee, post review, remained satisfied that the Risk Register/Board Assurance Framework continues to reflect the key business risks (strategic, financial and operational), as identified by the Senior Leadership Team, and endorsed by the Corporation, in light of the new strategic plan and objectives.

Ms Thomas confirmed that the College's Risk Management Sub-Group and the Senior Leadership Team continue to monitor and review each residual risk and re-score when necessary.

The Clerk confirmed that all current strategic risks identified throughout 2021/22 are on track, by the end of the academic year, to have all been subject to assurance reviews at committee or corporation level.

The Committee reported to be satisfied that the Board Assurance Framework, in its entirety continues to provide an adequate and effective framework for risk management as well as a vehicle for open dialogue between committee members and senior leaders.

Resolved:

- **That the report be received.**

9. Covid Risk Assessment

Ms Thomas presented the college's COVID 19 risk assessment to the committee.

The committee was advised that the risk assessment had been reviewed post publication of the Government's 'Living with Covid' plan and the associated updated FE guidance. Effectively, to protect staff and students and whilst tests are still free, the College continues to ask staff and students to self-isolate if they test positive, as per previous guidance. These arrangements will stay in place until the next review point, 31st March, for at this point further FE guidance is expected. Members endorsed this approach.

The committee agreed that the risk assessments continues to highlight the robust mitigations and controls being undertaken by the college, above and beyond Government expectations, in order to ensure the safety of staff and students without compromising the learning experience.

Ms Thomas also advised the committee that positive relations and open communications continue to be sustained with professional associations.

Members took this opportunity to again formally recognise the phenomenal action being taken by the senior leaders to ensure that the college is a Covid-19 secure environment.

Resolved:

- **That the report be received.**

10. BAF Assurance review : Poor business continuity planning and critical incident management (including Covid 19 global pandemic risk assessment)

The Committee welcomed the opportunity to receive an assurance update on the college's business continuity and critical incident planning and management.

Ms Thomas reminded the committee that the updated Disaster Recovery and Critical Incident Plan had also been presented for consideration as per the scheme of delegation. Ms Thomas explained that the plan is complemented by the IT Disaster Recovery Plan and IT Business Continuity Plan (addressed under agenda item 5) and that all amendments made had been highlighted. The following are objectives of this plan;

- o Create awareness of the need for planned arrangements
- o Provide a management framework for responding to a major incident
- o Establish an Incident Management Team (IMT) that manages strategies and allocates resources to ensure a major incident has minimal impact on the operation of the College
- o To coordinate the full reinstatement of College services as soon as possible
- o Provide reassurance of the practical help available at short notice
- o Pass on advice based upon previous experiences
- o Give guidance on sources of information and help

Members agreed that the wealth of information included within the assurance reports had provided the necessary assurance that the existing controls in place are adequate and effective and in proportion to the individual risk being managed, especially given the changed residual risk scores. It was also noted that there was a breadth of independent assurance sources cited within the reports thus confirming the college's commitment to best practice and regulatory compliance within this area.

Resolved:

- **To assign green assurance rating to the risk**
- **For the Clerk to update the Master BAF.**
- **That the Disaster Recovery and Critical Incident Plan be received.**

11. Auditor appointments (Reserved item)

Resolved:

- **To recommend to the Corporation the re-appointment of Tiaa as the college's internal audit providers as of 1 August 2022 for three years in the first instance, extendable in annual increments thereafter, subject to satisfactory performance and agreement of fees, up to a maximum duration of 5 years.**
- **To recommend to the Corporation the re-appointment of W&B as the college's external audit providers as of 1 August 2022 for three years in the first instance, extendable in annual increments thereafter, subject to satisfactory performance and agreement of fees, up to a maximum duration of 5 years.**
- **For the Clerk to notify the audit firms of the outcome of the tendering process.**

12. Any other Business.

Government Guidance : The scope of work of audit committees and internal auditors in college corporations

The Clerk reminded the committee that the government had published guidance as to how to implement audit committee arrangements that meet the requirements of the post-16 audit code of practice (P16ACOP) and also enable Governors to better discharge their responsibilities for the effective stewardship and oversight of the College. The Guidance was initially emailed to the Audit Committee by the Clerk in January 2022.

The Clerk explained that Annex A of the Guidance suggested areas of work for an audit committee. It was not intended to be an exhaustive list but rather focused on risk driven areas that will vary more across corporations. The Clerk had addressed each of the core areas listed under the Annex to evidence HNC Corporation's current practice.

Time was spent by the committee to consider each core area. Particular emphasis was given to the section on Environmental, social and corporate governance (ESG). Members acknowledged that there are no current requirement to include ESG disclosures in financial statements but the Corporation's current interest in considering and addressing environmental, social and governance related matters were duly noted by the committee.

Post deliberations, the committee reported to be satisfied that the existing frameworks, policies, procedures and processes in place satisfy all area expectations and requirements thus enabling the corporation and its committees to fulfil role responsibilities effectively and confidently.

It was agreed appropriate to undertake a further review of the risk driven areas (as identified in annex A) biennially.

Resolved:

- That the Government Guidance be received
- That the Committee is satisfied that the existing frameworks, policies, procedures and processes in place satisfy all area expectations and requirements thus enabling the corporation and its committees to fulfil role responsibilities effectively and confidently.
- For a further review of the risk driven areas (identified in annex A) to be undertaken in 2 years time.

13. 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 that the Audit Committee has fulfilled its statutory and delegated responsibilities for 'the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets'.
- 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.
- The Committee continues to focus, scrutinise, challenge and support the college leadership team in sustaining and improving (where necessary) cyber developments.
- Effective risk management increases the probability of successful outcomes, whilst protecting the reputation and sustainability of the College.
- Effective auditing services help governors understand student experience and learning outcomes.
- An informed Board of Governors is effective in its scrutiny, challenge and support of the senior leadership team, thus ensuring positive outcomes and progress for all students
- The Corporation recognises its 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.
- Ensuring the College is maintaining the quality of learning provided, the accuracy of data management, the maintenance of ILT and premises facilities, to maximise the Student Learning, Experience and Outcomes.
- Ensuring the health & safety of staff and students and their environment and facilities.

14. Determination of confidentiality

It was agreed that the summary and supporting papers for 5, 8, 10, 11 are to be marked as confidential.

15. Date of next meeting: 21st June 2022 from 5pm via Teams.