



HUDDERSFIELD NEW COLLEGE FURTHER EDUCATION  
CORPORATION

Audit Committee Meeting held on 15<sup>th</sup> June 2021 via Zoom from 5pm.

**Confirmed Minutes**

**Present:** Mr A Nelson (Chair), Mr K Webb, Mr N Uppal (attendance: 60%)

**In attendance:** Ms R Harris, Ms J Thomas, Mr J Flynn, Mr A McCulloch (Tiaa), Mr David Robinson (Tiaa)

**Clerk:** Mrs C Coupland

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

Apologies for absence were received from Ms H Haigh and Mr A Leach.

There were no conflicts of interest declared.

Mr Nelson welcomed Mr Robinson to the audit meeting.

**2. Minutes from Meeting held on 16<sup>th</sup> March 2021**

**Resolved:**

- That these be accepted as a correct record.

**3. Matters arising**

*External ESFA Funding Assurance Review – November 2020:*

The committee noted that as requested the ESFA funding assurance review recommendations had been included in the recommendation tracker (to be discussed agenda item 6).

Mr Nelson confirmed that the assurance review report had since been shared with all members of the Corporation.

*Statement of Risk Appetite :*

The Committee was advised that this had since been approved by the Corporation in April 2021.

*Audit Chair arrangements for September 2021:*

Mr Nelson advised the committee that recommendations were to be made to the Corporation by the S&G Committee on 1<sup>st</sup> July 2021 for i) Mr Uppal to be appointed as Audit Chair from September 2021 to July 2023 and ii) Ms Haigh to be Vice-Chair of Audit Committee from September 2021 to July 2023.

Those present welcomed this news.

**4. Data Protection & Security Report 2019/20 (term 2)**

Ms Harris reminded the Committee that this report is produced termly, for presentation to the committee, to collate results of security testing, PEN testing, email testing, attempted attacks, security breaches and cyber security risk assessments.

Post deliberations, it was concluded that there had been no low, medium or high risk issues that had affected the College adversely in term 2 and that the integrity of College security, networks and data had been maintained. The committee noted that high & medium risks with software had been found during vulnerability assessment. Ms Harris explained that the two high alerts were related to the end of life software but no danger had been posed to the College's network, security or its data. Issues had been resolved timely by the software providers in their latest updates which were applied by 16/04/2021. The medium alerts that had been found in software on the server were due to be decommissioned which was done by 28/04/2021.

Ms Harris also advised the committee that simulated Disaster Recovery (DR) testing had been completed during April 2021 and no weaknesses had been found on the college's networks or DR system. The committee welcomed this update.

The Committee agreed that the report continues to provide comprehensive assurance to senior leadership team and Governors that the college is doing as much as it can to mitigate against these risks. And in particular are continuing to follow all business processes and procedures designed to protect the college from fraud.

Members were of the view that it would be useful for the end of year report (for term 3) to highlight, if possible, trend analysis for cybersecurity and disaster recovery testing as well as IT security incidents to clearly demonstrate the impact and effectiveness of all the mitigating actions being taken to maintain college security, networks and data.

**Resolved:**

- **That the report be received**
- **For future reports to highlight, if possible, trend analysis for cybersecurity and disaster recovery testing as well as IT security incidents.**

*Ms Harris left the meeting at this point.*

## **5. Internal Audit Reports**

Mr Robinson presented Tiaa's reports to the committee:

### Assurance Review of Board Assurance Framework – Mitigating Controls

Mr Robinson explained that review had considered the arrangements for identifying and monitoring mitigating controls. Three strategic risks were selected and the effectiveness of the identified controls were reviewed.

The overall assurance assessment assigned was substantial. One routine recommendation was made. No operational effectiveness matters were raised for consideration.

### Assurance Review – Budgetary control

Mr Robinson advised the committee that this assurance review considered the budget preparation process, the monitoring arrangements, and reporting to the Corporation/Committee. The scope of the review did not include consideration of the assumptions used in preparing the budgets; depreciation policies; apportionment of central costs; or financial information included in tenders prepared by the organisation.

The overall assurance assessment assigned was reasonable. One important recommendation was made relating to the management accounts (between November 2020 and March 2021) being prepared and reported outside of the 14 days' timeframe, as required by the Financial Regulations. No operational effectiveness matters were raised for consideration.

The Clerk confirmed to Members that the Finance & Resources Committee continues to monitor the preparation and distribution of timely management accounts. Ms Thomas also confirmed that the associated risk for financial management, budgeting and forecasting, remains under review by the F&R committee. At present amber assurance rating is assigned to this risk, for it was noted by the

F&R Committee at its last meeting that although the college had caught up with management accounts as of March 2021; assurance was still needed on the continued timely reporting before assigning full assurance to this risk (green). The Audit Committee welcomed this update.

**Resolved:**

- **That the reports be received**

*Mr McCulloch took this opportunity to thank Mr Nelson for his sterling chairmanship in recognition that Mr Nelson was to soon retire from the Corporation. Mr McCulloch left the meeting at this point.*

## **6. Recommendation tracking**

The Committee accepted the Audit Recommendation Tracker.

It was noted that the ESFA Funding Assurance audit recommendations have been cited within the tracker.

Ms Thomas explained that all recommendations from the two audits presented tonight have already been incorporated into the tracker. It was noted that all outstanding recommendations are reported to be on track for being completed by the recorded implementation date except for the associated action relating to the Teaching, Learning and Assessment Review from May 2020. The committee was advised that due to lockdown post Christmas and the ongoing challenges associated with the organisation of the thematic deep dives, a decision has been taken to halt the TLA process for the year; with the deadline for the recommendation moved to the end of next academic year. The committee endorsed the decision taken by the college and the auditors.

All completed recommendations will however remain on the tracker until confirmed as completed by the Internal Auditors' follow up review in 2020-21.

**Resolved:**

- **To receive the report**

## **7. COVID risk assessment**

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

Members welcomed the opportunity to again review the risk assessment addressing the risks associated with the College remaining open during the COVID-19 global pandemic. Ms Thomas explained that the risk assessment remains a live document and is constantly reviewed and changes as necessary. Discussions therefore concentrated on the updates to the risk assessment since it was last reviewed by the committee. Ms Thomas also advised the committee that positive relations and open communications continue to be sustained with professional associations.

The committee agreed that the risk assessments continues to highlight the robust mitigations and controls being undertaken by the college in order to ensure the safety of staff and students without compromising the learning experience; as demonstrated by the low level positive results amongst the college community. It was agreed appropriate however to explicitly state, within the risk assessment, the planned date for the next deep clean.

Ms Thomas informed the Committee that the Health and Safety Executive is currently carrying out spot checks and inspections within the FE Sector to ensure they are COVID-secure. Ms Thomas confirmed that HNC has received a telephone call from the HSE. HSE was satisfied that the measures that have been put in place by the college are in line with government guidance. HSE have confirmed that no further COVID secure checks or visits will be necessary.

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.**
- **To formally record the committees thanks to all staff and students for helping ensure that the college remains to be a COVID 19 secure environment.**

## **8. Whistleblowing Policy**

The Clerk informed the committee that the existing policy reflects good practice initiatives and is currently procedurally compliant with relevant legislation for how the college is to manage and respond to any raised concerns. No amendments were therefore considered necessary.

The committee asked if the Policy had ever been implemented. The clerk advised members that there have been no cases of whistleblowing. The Clerk confirmed that the policy however remains available to all via the website and also via Moodle (the college's virtual learning environment).

The committee were therefore of the view that any concerns raised by staff and students are obviously being handled effectively through more appropriate college procedures; given that this policy is designed to give staff, students and Corporation members the opportunity, along with the appropriate safeguards, to raise concerns of a serious nature within the College through a separately designated route.

**Resolved:**

- **For the corporation to note that the annual review of the Whistleblowing Policy had been undertaken and no amendments are required.**

## **9. Post 16 Audit Code of practice 2020-21**

The Clerk presented her report to the committee, which served to alert committee members to the ESFA's revised assurance and accountability requirements for all periods commencing on or after 1 August 2020 and its implications, if any, for current practice at HNC. The Clerk explained that the key changes in this version are in response to a number of sources :

- The Governments recent FE white paper - Skills for Jobs: Lifelong Learning for Opportunity and Growth (Jan 2021)
- Dame Ney's Report - Independent review of college financial oversight (Oct 20219)
- FE Commissioners Intervention Reports and Responses.

The Clerk confirmed that as usual, to support corporations in drafting the statement of regularity, propriety and compliance, the ESFA has published a self-assessment questionnaire which again is a required element of the Regularity Audit. This shall be presented to the Committee for consideration and approval at its next meeting in September 2021.

In addition the ESFA has advised that there will again be a Supplementary Bulletin to the College Accounts Direction 2020/21 and the Post-16 Audit Code of Practice 2020/21 which will introduce a small number of additional requirements that college corporations must comply with in recognition of the continuing health pandemic. This, once published, will be presented to the Committee for consideration and approval at the next meeting in September 2021.

The Post 16 Audit Code of practice again acknowledges that fraud occurs in every sector and that providers need to be aware of the potential for it to occur. The ESFA has therefore again included

an Anti-Fraud Checklist for post 16 providers to complete which is intended to help providers review their arrangements for preventing, detecting and dealing with fraud should it occur. This too will be presented to the Committee for consideration and approval at the next meeting in September 2021.

Governors reported to be assured that the External Auditors, the College Senior Leadership Team and the Clerk shall continue to support the Corporation and the Audit Committee in satisfying all of its responsibilities when preparing college accounts and financial statements:

- comply with the requirements of the funding agreement with ESFA
- produce annual accounts to 31 July (including a statement of regularity, propriety and compliance) in accordance with the requirements of the college accounts direction
- have these accounts audited by a registered auditor
- submit the audited accounts to the Department by 31 December
- ensure the accounting officer's report has been made without bias
- maintain proper records complying with the terms of any legislation or regulatory requirements and the terms and conditions of funding

In light of the changes to this version of the Audit Code of Practice; it was concluded by the committee that amendments are required to the Audit Committee's current terms of reference for 2021/22 onwards to ensure that they continue to reflect terminology and phraseology to allow for an accurate comparison to the Post 16 Audit Code of Practice.

**Resolved:**

- **That the update be received**
- **To recommend to the Corporation the updated Audit Committee's Terms of Reference.**

**10. Self-Assessment of Committee Work/Business and Annual Review of Terms of Reference.**

The Committee reflected upon its work throughout the academic year and agreed that during 2020-21 it had fully covered its delegated responsibilities.

Members also considered how the Committee's work has impacted/ contributed to the overall work of Governing Body during this academic year. Members contributed their opinions for the Clerk to insert into the committee's self-assessment report which will be distributed to all Governors.

**Resolved:**

- **That the Committee has complied with its terms of reference**

**11. Any other Business.**

The committee wished to formally record its thanks to Mr Nelson for his time spent as Chair of the Committee. Mr Nelson's support, guidance and experience has been appreciated by all and he will be very much missed after his retirement from the Corporation (and in turn the committee) in July 2021.

*Mr Robinson left the meeting at this point.*

**12. Performance Indicators for Auditors (confidential item)**

**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:

- **To support the robustness of the IT infrastructure and network, facilitating the online safety of students and staff and access to high quality, safe systems and equipment**
- **Audit opinions 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.**
- **Ensuring that the college provides a safe environment for students, staff and visitors.**
- **Assurance received that the college remains compliant with regularity and propriety requirements as per the terms and conditions of funding.**
- **Critical review of annual performance ensures that the committee continue to focus, scrutinise, challenge and support the college leadership team in sustaining and improving the outcomes and progress of all students and enable students and staff to learn and work in an outstanding institution.**
- **Ensuring that the college remains to be proactive and legally compliant in known and emerging external themes and challenges e.g. COVID 19**

#### **14. Determination of confidentiality**

That supporting papers for agenda item 12 is determined as confidential.

#### **14. Date of next meeting: to be confirmed.**