

**Confirmed**



**Minutes of the Meeting of the  
AUDIT COMMITTEE**  
**held on Wednesday 20 March 2019  
at 4pm**

<b>Participants:</b> <i>(by remote participation)</i>	Chris Payne <i>[Chair]</i> Steve Davies Gillian Lancaster	External Member External Member External Member
<b>In attendance:</b> <i>(by remote participation)</i>	Gill Winward Jayshree Shah Amali de Alwis	Clerk to the Board Finance Director External Board Member - observing
<b>Apologies: [-]</b>		
<b>Declarations of Interests:</b>	None stated	

**Action**

**1 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 21 November 2018 were **APPROVED** to be signed by the Chair as an accurate record.

**2 MATTERS ARISING**

a) *Item 2a) - Business Continuity Plan:* The Finance Director provided an update on the position. The SLT were aware of the importance of the topic but the policy was not yet completed.

The Committee expressed concerns at the continued delays in completing this work and their view that this should now be resolved with urgency. The Finance Director reported on the overall lack of resources within the college for this type of project and/or developmental work and directed the Committee's attention to the document relating to a later agenda item, which detailed the forward plan relating to a variety of Policy documents. This demonstrated the volume of items to be addressed and the suggested priority order.

The Committee suggested that the Finance Director, wearing a 'risk management' hat, could come back to the Committee with any items that were 'delayed' if she had any particular concerns.

In conclusion, it was **AGREED:**

[i] that the CEO and Finance Director should commit, by the end of that week, to a deadline for the Business Continuity Plan to be completed.

**MS/JS**

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	Action
<p>[ii] that it would assist the Finance Director if any Board Member with expertise in this topic could provide support, and it was identified that BAML could be a source for this</p>	JS/GL
<p>b) <i>Item 2b) – Internal Audit: acceptance of report recommendations:</i> The ‘improved’ finalised reports from Buzzacott had not yet been received or circulated. The Finance Director agreed to chase these.</p>	JS
<p>It was confirmed that these types of reports did get sent to and discussed by the SLT. Relevant actions for management would now get lifted into the SLT’s own broader ‘actions tracker’ document that got reviewed at their weekly meetings.</p>	JS
<p>A suggestion was made that a management KPI could perhaps be developed around ‘completion of action points’.</p>	
<p>c) <i>Item 5 – Audit Findings Implementation Tracking:</i> The Finance Director confirmed that the Capital Projects Committee had seen and discussed the associated Internal Audit report.</p>	
<p>The Clerk raised another point that had arisen at the previous meeting, concerning the use of the ‘Tracker’ document. Her recommendation was that the previous decision regarding deferments to target implement dates be strengthened, by management being required to seek approval from the Audit Committee for such, rather than simply keep moving back the dates to suit.</p>	
<p>It was then <b>AGREED</b> that any deferment of a target date should only occur when prior approval had been sought from the Audit Committee, and before the original expiry date.</p>	JS/SLT
<p>d) <i>Item 6 – Committee Self Evaluation - Committee vacancies:</i> The Clerk reported on the actions in hand to fill the 2 vacant positions. It was recognised by all that there needed to be rapid movement on the matter after that day’s meeting.</p>	Clerk/CP
<p>A general suggestion was made that it may help to streamline the follow-up activities under ‘Matters Arising’ if the Clerk produced a tracker-type schedule, which could then be circulated in advance with the meeting papers.</p>	Clerk
<p><b>3 INTERNAL AUDIT REVIEWS 18/19</b></p>	
<p>The Finance Director introduced the paper, which covered two dimensions.</p>	
<p><b>a) Delivery proposals</b></p>	
<p>Three topics had been identified and approved as areas to focus on this year.</p>	
<ul style="list-style-type: none"><li>• <i>Business Continuity</i> – this topic had already been subject to some discussion earlier in the meeting. Mixed views were expressed on when any Internal Audit Review should take place: some thought it was too late now to try and include this in 18/19; others thought it</li></ul>	

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sensible to take on board an external viewpoint *before* the Policy was finalised; others thought it beneficial to wait until *after* the internal Policy had been finalised and tested, else money could be wasted on obvious commentary.

It was **AGREED** that this topic should not be forgotten about and that the best timing overall would be to aim for the summer period. It was acknowledged that this would mean the outcome report would not be available for the Committee's June meeting but in time to be factored into all 18/19 year end reporting (ie in the autumn).

JS

- *HR Policies and Payroll* - Delegated authority had been given to this Committee from the Board to commission the necessary work within the total cost envelope of £10k (ie the amount provided for in this year's budget).

Quotes had not been obtained in time for scrutiny at that day's meeting, thus the Committee **AGREED** that, to avoid further delays, the debate and approval should be conducted by email. It was noted that it was the plan for the finalised report to be ready in time for the Committee's June meeting, thus time was of the essence.

JS/Clerk

- *IT Penetration testing* – see below

#### b) IT Penetration testing

The report on this was now complete and had been circulated. The Finance Director explained the context, which was that an initial report had been carried out the previous year and a number of issues highlighted at that point.

There were no 'high risk' items arising this time, all being 'low' or 'medium' risk. It was pointed out that the report's author was used to operating in very high risk areas, thus to achieve a judgement of this nature was deemed a good outcome. All identified actions were in hand.

A number of questions were posed by Committee Members, including that a 'high' rating had been mentioned on page 6 of the report and was queried – the Finance Director agreed to check back with the author, and if the report needed to be re-written as a result.

JS

It was also suggested that it could be useful to have another bank's perspective on the topics, such as BAML, and the Finance Director offered to first check with Deloitte if their report could be shared with others.

JS

#### 4 AUDIT FINDINGS IMPLEMENTATION TRACKING

The Finance Director presented the monitoring report and gave an overview on progress with implementation of prior recommendations. There was particular focus on the items still outstanding, including where revised implementation dates had been substituted.

The Committee returned to their earlier discussions, on the matter of revised implementation dates (*Item 2c*). Members repeated their view that any suggestion of a delayed date *must* be put to the Committee for approval and *before* the original expiry date. This was in recognition that there could be differing views on the appropriateness of a moved date.

JS/SLT

The section of the report dealing with the Capital Project review and its associated actions was discussed in some detail. A question was raised on what the 'lessons to be learned' recommendation actually meant and the Finance Director and Audit Chair responded to this. The 4 revised implementation dates were also queried, particularly the June target date for the 'lessons learned' exercise and whether this would be sufficient. The Finance Director gave assurance that it should be suitable but emphasised the constantly changing picture.

The Committee then examined the sections covering the remaining 3 review themes.

In conclusion, the Clerk sought the Committee's view on further improvements to the useage of the Tracker, including what criteria should be used to warrant removing an item from the progress tracker, so that it remained manageable in size and not an ever growing list. It was **AGREED** that items could be removed when and where:

JS

- An action had been completed (NB a complete sub-section, not just a single bullet item)
- Where actions were labelled as 'ongoing'.

It was also **NOTED** that the previous request for an annual summary of progress would be included with the next report, as an 'end of year' update.

JS

## 5 COLLEGE POLICES

### a) Master Schedule

The Finance Director reminded the Committee of the background to the exercise. A master list of planned College Policies had been circulated, this also showing progress against development and implementation and a prioritised timeline. This list was still under discussion and refinement with the management team, thus was still 'work in progress', but the Committee's views on some of the content was being sought at this developmental stage.

The Clerk drew particular attention to the proposed 'authorisation' column and reminded Members that Board Committees currently did not have any 'powers of approval' and were largely advisory only. This meant that the Policies proposed could only be approved either by the full Board or, at next level down, by the SLT. The Committee's shared opinion was that this was still appropriate and should remain, though the point raised did generate some discussion on the Committee's role overall.

Action

Members also offered a view on what they saw as the priority items, these being: JS

- Business Continuity
- Complaints
- Exams
- Sustainability
- Fees (if applicable)
- Publication Scheme

The Committee **NOTED** the progress being made on the exercise and **REQUESTED** the item to be included on their next agenda to aid further monitoring. JS/Clerk

**b) IT Security**

The proposed Policy had been circulated and there were no questions on its content. An enquiry was made as to whether the topic auditors (Deloitte) had seen the finished product and the Committee were informed that this had not been the case, but that BAML had provided input as part of their early support work.

The Committee **AGREED** to recommend to the Board that the Policy document be approved. JS/Clerk

**c) Risk Management**

Responding to an outstanding question, the Finance Director clarified the background that all SLT Members were deemed to 'own' this topic, but that the designated 'leads' were now herself and the Programme & Projects Manager. The Risk Policy and associated documents had been examined by all but it was acknowledged that the SLT needed to give more focus to the topic on their meeting agendas.

Discussion turned to the detailed content of the proposed Policy including the stated role of the Audit Committee. Some specific comments, amendments and additions to the text as drafted were suggested.

The Committee:

- [i] recognised the huge step forwards that had been made in getting the policy framework to its final stages and **AGREED** to recommend to the Board that the Policy document, as amended, be approved JS/Clerk

- [ii] **REQUESTED** that the Assurance Framework be brought back to the Committee at the next meeting JS/Clerk

**6 AUDIT CODE OF PRACTICE 2018/19**

The annual updated document had recently been issued to the sector and had been circulated by the Clerk for information. This was **NOTED**.

**7 ANY 'ITEMS OF CONCERN' FOR REPORT**

The Finance Director and Clerk reported that they had nothing to raise under the headings of:

- Financial Irregularity
- Fraud
- Whistleblowing

**8 ANY OTHER URGENT BUSINESS**

*Committee Membership:* Ms de Alwis had participated in that day's meeting as an observer, with a view to volunteering for one of the vacant committee positions. At the end of the meeting, she confirmed she was willing to serve and content for her name to go forwards to the Board for appointment.

Clerk

Other names, as possible external co-optees to the Committee, had been supplied by Board members after the last Board meeting and were being followed up on.

Clerk/CP

**Declaration of any further items to be treated as confidential:** There were no items to be so declared.

**Date of Next Meeting:** Scheduled for Wednesday 12 June, however it was agreed that this may need to move to the week of 24 June and the Clerk was asked to research a suitable date/time.

Clerk

*The meeting concluded at 5.30pm*

<p><b>Confirmed as an accurate record:</b></p> <p><b>Signed</b>..... <i>(Chair)</i></p> <p><b>Date</b>.....</p>
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