

Minutes of a meeting of the Audit Committee Meeting of the Corporation

Held at the College at 4pm on 21 May 2019

Present: Ms Danvers Hewitt, Mr Minter (Chair) and Mr Pretty (via teleconference).

Apologies: Mr Mbombo

In Attendance:

Ms I Bond	Southern Internal Audit Partnership
Mr J Cox	Group Finance Director (Min.
Ms Z Martin	Head of Business Intelligence (Min. 912 & 913)
Mr S McDermott	Data Analysis Lead (Min. 912 & 913)
Ms P Schweitzer	Clerk to the Corporation

Minutes

Part 1 – Standing Items

907 Apologies for Absence

Mr Mbombo had recently been appointed to Corporation and Audit Committee but was unable to attend due to a prior commitment.

908 Membership

Members believed that another Committee member with audit experience would be advantageous and noted that this was an issue for the newly convened Search & Governance Committee.

909 Declaration of Interest

There were no declarations of interest.

910 Minutes

The minutes of the meeting held on 20 November 2018 were **Agreed** as a correct record and signed by the Chair.

911 Matters Arising

There were no matters arising relating to the non-confidential minutes.

Parts 2 –Items for Decision

There were no Matters for Decision.

Parts 3 –Items for Discussion

912 Office for Students ILR Reconciliation Exercise

The Head of Business Intelligence (BI) and Data Analysis Lead joined the meeting and the Head of BI presented Paper 2466/19/A.

This paper provided information on management responses and actions following the 2016/17 Individual Learner Record (ILR) reconciliation exercised carried out by the Office for Students earlier in the year. This reconciliation was carried out due to data discrepancies between the 2016/17 Higher Education (HE) in Further Education Student Survey (a forecast of the HE student cohort) and the final IRL return for 2016/17 (actual data). The result was an adjustment to HE funding for the following two academic years totalling a reduction of £7,073. A reconciliation action plan was appended to the report and additional checks had been implemented to ensure there were no future variations.

One member asked whether it was usual to carry out a reconciliation exercise and the Head of BI responded that it was not unusual within the sector due to the fact that estimated data never fully tied up with final data. Another member asked about students that had missed the surveys and whether succession planning when members of staff left was an issue. The Head of BI stated that when the post of the Head of HE had been made redundant midway through the 2016/17 academic year, the Business Intelligence department had taken responsibility for the necessary checks.

The Office for Students ILR Reconciliation Exercise was **Noted**.

913 2017/18 ESFA Funding Assurance Review

The Head of Business Intelligence presented Paper 2467/19/A setting out the 2017/18 ESFA Funding Assurance Review.

This ESFA funding assurance review ensured that the 2018/19 funding claim was accurate and that processes were in place to minimise potential risk of funding over claim. There was no funding clawback although minor adjustments were made during the audit and a number of management points were raised outlining areas in which the College needed to improve checks. The Head of BI confirmed that the management points had all been implemented and were checked on a monthly basis. The College's internal auditors had checked progress in February and were happy. One member asked about ESOL provision and the Head of BI stated that that was an area where the College had needed to tighten its evidence. A check on initial assessments in the autumn term had confirmed that everything was in place. During the check in the spring term, one assessment was missing, so a further check would take place. The Head of BI was confident that everything was in order. The Chair noted that the level of assurance was

good and that it was normal to see these discrepancies in a complex organisation.

The outcome of the ESFA Funding Assurance Review was **Noted**.

The Head of BI and Data Analysis Lead left the meeting.

914 Internal Audit Reports – Autumn 2018 & Spring 2019

Ms Shaw presented Paper 2500/19/A which summarised the autumn term 2018 and spring term 2019 internal audits covering IT – cyber essentials, estates management, additional learner support, business continuity, learner numbers system and work placements.

Additional learner support and business continuity were given substantial assurance. Estates management and work placements were given adequate assurance. IT – cyber essentials was given limited assurance. The internal auditors noted that all recommendations had either been implemented or, with regards to learner numbers systems, were in the process of implementation.

IT cyber essentials was given limited assurance due to the fact that operating system security updates were only installed annually, leaving the College vulnerable to security breaches. One member asked if the College had achieved Cyber plus certification and whether it was on the cyber security list of accredited organisations. The Group Finance Director (GFD) didn't believe it was on the list but stated it met the Cyber essentials baseline minimum and was at the expected level for an education specific organisation. He stated that critical updates were implemented immediately and lower risk updates on a case by case basis. The Chair expressed concern with the limited assurance audit opinion. The GFD stated that the recent purchase of the M365 licence meant updates would be implemented more swiftly and less labour intensively from September 2019 and the internal auditor noted that monthly patches were scheduled going forward. The GFD confirmed that this item was now on the Outstanding Audit Recommendations register to ensure that the recommendation had been achieved, with internal auditors following up in summer 2020. Members did not feel this action could wait a year and asked for an update at the following meeting. The internal auditor believed the Committee was right to want regular updates and assurance and stated that follow up actions were risk based, with IT cyber security at the top of the list. The Chair believed this was an important area as the College was heavily reliant on IT and many organisations had been ripped apart by security breaches. The GFD reassured the Committee that the College didn't take this area lightly and had benchmarked itself against other educational organisations. The internal auditor stated that there were a few issues under estates management and work placements, highlighting the need to keep on top of paperwork.

The internal audit reports from autumn term 2018 and spring term 2019 were **Noted**.

915 Review of Outstanding Items

The Group Finance Director presented Paper 2501/19/A detailing the current position on the outstanding actions as agreed by management from previous internal and external audit recommendations. The GFD noted that good progress had been made in implementing the actions.

These was a discussion about the cyber security actions, with a member asking about any recent security issues. The GFD stated that the College had not had any security issues in the last five years, ie there had been no downtime due to attacks and no data breaches. There was a brief discussion on firewall rules with members noting that the action was now complete. In response to a question, the GFD confirmed that the College managed its data control systems internally and that the Head of Business Intelligence was the designated Data Protection Officer.

The Review of Outstanding Audit Recommendations report was **Noted**.

Minutes 916 – 920 were confidential.

Date of Next Meeting

Tuesday 12 December 2019 @ 4pm

The meeting ended at 5.30pm.