

Present:

Alison Watson-Bird (Chair), Martina Jay, Michael Lowe, Martyn Lylyk

In Attendance:

Fatema Hussein (Head of Governance), Karen Musgrave (RSM), Hannah Parker (Mazars), Clare Russell (Principal), Janet Ivill (Director of Finance)

Meeting began 6.00pm

Meeting closed 7.30pm

Attendance: 100%

Venue: MS Teams

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATION OF INTEREST

Governors / Members were invited to declare any direct, indirect, pecuniary, personal or prejudicial interest relating to any item on the agenda for the meeting

There were no declarations made.

3. MINUTES OF THE MEETING HELD ON 19TH NOVEMBER 2020

3.1 Approval of the Minutes – Part 1

Agreed: that the minutes are signed as a correct record and authorised for publication (Part 1)

3.2 Matters Arising from the Minutes

The action progress log was reviewed, and it was noted that all actions had been completed with one being carried forward to the next academic year.

4. CYBER SECURITY UPDATE

Alex Harding IT Manager delivered a presentation to the Committee and the following points were noted:

- There had been several recent high-profile attacks on IT systems in the F.E. sector
- Breach of IT security had been graded as high on the Risk register

- College had been re-certified for cyber essentials plus by JISC in January 2021 and had also received a three-star audit result from the Service Desk Institute
- A new partnership had been formed with JISC to undertake security testing on the IT systems
- 16 critical issues had been identified following JISC security testing and all of these had been addressed
- Two development projects had also been identified as a result of this
- A second external phishing simulation had also been carried out
- 66.6% of staff had ignored the phishing email with 14.6% having submitted their credentials
- An action plan had been developed following the outcome of both exercises
- A number of mitigations had been put in place to reduce the risk from Ransomware
- A key area for development was how the College approached back-ups, and vault backups which were used in the banking industry would be utilised moving forwards
- It was anticipated that the risk from a cyber attack could be reduced to Medium in 2021/22 once all the recommendations had been implemented

Governor Questions

Q. What was the tolerance level on the phishing exercise?

A. This depended on the sector but was in single figures for the College

Q. Were procedures in place to monitor progress with the action plan?

A. The plan was submitted to and monitored at the SMT monitoring meeting

Q. Did College have a technical log to identify challenges and risks?

A. Documentation was kept for the risks that College was aware of

Q. Did the JISC audit highlight any issues that IT were not aware of?

A. There were some surprises that emerged in relation to vulnerabilities in building and environmental systems

Q. Had the pandemic changed the nature of the risk regarding remote / online working?

A. There was a greater reliance on the use of remote desktop and this had increased the risk

Q. When would all of the recommendations be implemented?

A. All the critical recommendations had been implemented with high and medium risk areas to be addressed by the Easter break. The development projects would take 3 to 6 months to complete

Q. How many actions needed to be implemented before the risk could be lowered from high to medium?

A. This was difficult to quantify at the moment

Governors requested that an update on progress of the action plan was provided at the next meeting.

ACTION:

IT Manager / Head of Governance (Agenda)

The Committee thanked the IT Manager for a very informative presentation.
Alex Harding left the meeting at this point

5. INTERNAL AUDIT

Mazars presented the internal audit reports with the following points highlighted to the Committee:

5.1 Internal Audit Reports - Counter Fraud Strategy

A substantial assurance opinion had been provided with two housekeeping recommendations.

Governor Questions

Q. Was cyber security included as part of Induction training for new staff?

A. It was confirmed that a module was included within the induction programme

Mazars confirmed an audit of cyber security was to be undertaken next month.

5.2 Progress Report

Mazars presented the report and it was noted that two audits had been completed to date with the remaining four in the planning stage. Two 'Priority 2 (Significant)' and Two 'Priority 3 (Housekeeping)' recommendations had been made to date.

6. AUDIT RECOMMENDATIONS MONITORING REPORT

6.1 Open Items

6.2 Closed Items

The Director of Finance reported that:

- There were currently 10 open recommendations
- The formal sign off of the transport risk assessments had been delayed due to the lockdown and temporary suspension of transport services
- Actions would be considered closed/complete when endorsed as such by an Internal Audit follow up assignment or when appropriate evidence of completion was provided in preparation for the next follow up review
- The seven recommendations from the FE Commissioner diagnostic assessment had been added to the monitoring report

7. 2021/22 AUDIT PLAN PROPOSALS

Members considered the proposed priorities and indicative plan that would provide assurance over the College's operations.

Governor Questions

Q. Were there any areas of particular concern to management in relation to the impact of the pandemic on learners and staff?

A. Staff well-being was a concern due to the increased demands on staff and could also have a knock-on effect on HR recruitment and retention. Student support and welfare was also a priority for the College. In addition, it would be useful to have an independent external view of the Property strategy

Q. What progress had been made with the development of project management information systems?

A. The team had implemented many changes over the last 12 months. College would need to plan for the replacement of the student management system in the next two to four years

- Q.** Was there any concern about the absence of exams / use of Teacher assessed grades and the impact this could have on reputation management?
- A.** It was acknowledged that it would be useful to have a view on complaints handling and how College had managed the implementation of Teacher assessed grades

Having reviewed the proposals and taking into account the Risk register, key strategic areas of focus for the College and previous audits, the Committee agreed that the following was included in the 2021/2022 internal audit plan:

- Property Strategy
- Project Management
- HR Recruitment and Staff Well-being
- Reputational Management
- Safeguarding of Assets
- Student Support & Welfare

8. RISK MANAGEMENT

8.1 F.E. Commissioner Recommendation re Risk Register

The Director of Finance explained that:

- The F.E. Commissioner had recommended that College “should re-appraise the risk register to reduce the number of key risks that were being reviewed and distinguish between operational risks that are being monitored by teams and key risks that are being monitored by the Board”.
- Further to this recommendation, the 15 high priority risks had been reviewed and the following 5 key risks were proposed for monitoring by the Board:
 - Breach of IT security
 - Contagious illness
 - Adverse publicity
 - Risk to OFSTED outstanding status
 - Major incident
- It was proposed that the Risk Monitoring by the Board was focused on these risks, with a monitoring report outlining the success, or otherwise of key operating activities, management oversight and external assurance mechanisms. Assessment of key risks will be undertaken ahead of each Audit Committee to evaluate any changes to key risks and trends
- The full risk register would remain an operational tool for management, but would no longer be reviewed in detail by the Board or Committees

Governor Questions

Q. Did funding, cash flow and bank covenants need to be added to the key risks?

A. These were monitored monthly via the management accounts

RESOLVED:

The Committee endorsed the proposals for revisions to the Risk Register and requested that this was reviewed the next meeting

ACTION:

Director of Finance to present the revised Risk Register at the June Committee meeting

8.2 Risk Register incl High Risks and Updates November 2020 - March 2021

The Director of Finance presented the Risk register and it was noted that the risk around staff welfare was increasing as well as that of adverse publicity. A key mitigating action was the

College being very transparent in how it would be applying the Teacher assessed grades in the absence of exams this summer.

9. GOVERNANCE IMPACT STATEMENT

- Risk priorities reviewed and provisional internal audit plan for 2021/22 agreed
- Committee sought assurance re cyber security risk and requested an update on progress at the next meeting
- Staff well-being discussed and included in the audit plan for next year
- F.E Commissioner recommendations discussed and a steer provided on risk management monitoring

10. RESERVED BUSINESS

10.1 Approval of Reserved Business Minutes 19th November 2020

Agreed: that the minutes are approved as a correct record.

10.2 Matters Arising from the Reserved Business Minutes

There were no matters arising from the minutes.

10.3 Confidential meeting between Audit Committee members without presence of executive staff

A confidential discussion between Audit Committee Members without presence of executive staff was held.

11. DATE OF NEXT MEETING

Thursday 17th June 2021 at 6.00pm