

MINUTES

Audit and Governance Committee No 12

Date: *06/02/2018*
(Tuesday) Time: *18:00–*
20:00

Venue: *Rural Business* Committee: *Audit and*
Centre *Governance*

Notes: *Refreshments will be available from 5.30pm*

Present: *Adrian Boreham, Barbara Godby (Co-opted Member), David Hall, Garry Payne (Vice Chairman), Gerry Corless (Chairman) and Sydney Barwick*

Attending: *Ann Turner (Principal) and Richard Morris (Deputy Principal)*

Clerks: *Ron Matthews (Clerk) and Susan Whiteside (Deputy Clerk)*

Apologies: *Jane Booker and Michael Harding (Internal Auditor)*

Public Minutes

<p>01.18 <i>Decision</i></p>	<p><i>Public Minutes of Previous Meeting</i></p> <p>The public and confidential minutes of Audit and Governance meeting number 11 held on Tuesday 7 November 2017, published on the extranet were signed and agreed as a true and accurate record of the meeting.</p>	
<p>02.18 <i>Decision</i></p>	<p><i>Attendance of College Management Staff and Internal Auditors</i></p> <p>Section 8.1 of the current Constitution and Terms of Reference for the Audit and Governance Committee states "the Principal or any other senior manager who is responsible for the College's internal control and a representative of the Internal Auditors shall normally attend meetings at the invitation of the Committee and the Committee shall have the power to invite such other persons to attend meetings as may be desirable or necessary."</p> <p>Resolved:</p> <p>That College Management staff and the Internal Audit representative, Maya Buchanan attend the meeting.</p>	
<p>03.18 <i>Record</i></p>	<p><i>Apologies for Absence</i></p> <p>Apologies were received from David Hall and Jane Booker.</p>	
<p>04.18 <i>Decision</i></p>	<p><i>Declarations of Interest</i></p> <p>There were no declarations of interest made in respect of the items on the public agenda.</p>	
<p>05.18 <i>Decision</i></p>	<p><i>Internal Audit Reports</i></p> <p>Audit and Governance Committee gave consideration to the Internal Audit reports.</p> <p>IT Cyber Risks and General Data Protection (GDPR)</p> <p>The General Data Regulations (GDPR) come into effect on 25 May 2018. In October 2017 an internal audit was commissioned to provide a factual report on the College's current data governance processes, procedures and controls against ten key GDPR areas. The findings supplement the College's Action Plan. In addition, key control areas were tested against cyber activity within the College.</p> <p>The Internal Audit representative introduced and spoke to the report. The Deputy Principal Finance & Corporate Services thanked the Auditor for a comprehensive introduction and acknowledged how helpful the report was in shaping the College responses to GDPR. He provided a full update on the College position. The Corporate Services Manager added detail and indicated good progress to date leading to full compliance for May 2018 when the regulations would become law. The internal Audit representative gave external perspective through her comments on the detail in the report stating it was typical of other educational institutions where RSM had undertaken work in the initial stages towards updating existing processes and policies to compliance.</p> <p>The report made 16 recommendations to continue the work towards compliance through:</p>	

- A documented Cyber Strategy
- Data mapping exercises, which include detail on data ownership, storage, retention and security level controls
- Terms of reference for the Steering Group and Action Plan
- Awareness and training for staff and students
- Policy reviews and updates to ensure they were in-line with the new regulations which include individual rights, data breaches, consent and retrospective consent
- Allocation and definition of roles and responsibilities for those with data processing responsibilities.

Members noted the significance of the forthcoming legislation and acknowledged the seriousness of the subject matter and work that had been undertaken and amount that was still required. They posed questions to the Internal Audit representative and College management to seek assurance on the quality of the processes and achievement of the time line. The DP Finance & Corporate Services and Corporate Services Manager were attending external events to ensure College adhered to and shared best practice.

In response to questions Management indicated that there were 'no surprises' in the report and provided further information on the type and approach to training existing and new staff and Governors.

Members received and accepted an explanation concerning a delay in receiving the report.

Some minor amendments were agreed.

Audit & Governance Committee sought close monitoring of progress and requested GDPR be an item on the Agenda at their forthcoming training event being held in April 2018.

Members discussed the seriousness should there be a data breach and the importance of the reporting structure to the Board. Members requested a stand-alone GDPR Action Plan Report be presented to their next meeting and noted if required GDPR could be added to the next years Internal Audit Plan.

Internal Audit Progress Report.

The Internal Audit Progress Report gave an overview of activity against the Internal Audit Plan which had been set in June 2017. This included the Cyber Security and GDPR reported above.

There were two reports outstanding due to go ahead in March 2018 following approval.

The report included a client briefing, 'The Icarus Effect: Tackling Cybercrime Complacency'.

Revised Internal Audit Plan 2017/2018

Members had agreed to review the Plan in light of the additional report commissioned on Disaster Recovery which had been considered at the November Meeting.

Outstanding reports were, 'Financial Systems Review - The Farm' and 'Payroll part time payment portal'.

Governors were closely monitoring the performance of the Farm through Finance & Resources Committee and onward reports to Corporation. In response to questions they noted the Food Farming Innovation and Technology Centre (FFIT) was not included in the plan and acknowledged an audit looked at compliance against procedures and did not give advice

	<p>on performance. Audit & Governance Committee agreed to the 2 further assignments but noted this would exceed budget taking the audit days to 36 so the matter would be referred to Corporation to be endorse approval to go to 36 days.</p> <p>Resolved:</p> <ul style="list-style-type: none"> • That the Internal Audit Report be received • That the Internal Audit Summary Report be received • That the Internal Audit Plan be recommended to Corporation to approve the outstanding assignments and so increase assignment days to 36 with ensuing additional cost. 	
<p>06.18 <i>Decision</i></p>	<p><i>Internal Audit Progress Report and Summary Report</i></p> <p>Audit & Governance Committee considered the progress made in respect of the issues raised in the internal audit reports detailed in the Progress Report and Summary Report which showed that of the 5 actions, 3 were implemented and 2 were ongoing. Audit & Governance Committee expressed satisfaction with progress made.</p> <p>Resolved:</p> <p>That the Internal Audit Progress Report and Summary Report be received.</p>	
<p>07.18 <i>Decision</i></p>	<p><i>Strategic Risk Register</i></p> <p>Audit & Governance Committee gave consideration to the overall strategic risks and specific Governance risks.</p> <p>Risks were referenced to the College's strategic objectives, scored using a 5x5 matrix and scored according to pre mitigation actions, 'inherent' and post mitigation actions, 'residual'. Changes were highlighted.</p> <p>From the discussions it was agreed to ensure the General Data Protection Regulations law change (GDPR) be given appropriate coverage in the register; wording and placement delegated to the Deputy Principal Finance & Corporate Services.</p> <p>Resolved:</p> <p>That the Strategic Risk Register and additions be agreed.</p>	
<p>08.18 <i>Decision</i></p>	<p><i>Data Returns Report</i></p> <p>In compliance with the Financial Memorandum, Audit & Governance Committee gave consideration to the Data Returns report.</p> <p>All submissions had been completed within time frames to the funding body including the submission due 6 February 2018, the date of this meeting.</p> <p>Resolved:</p> <p>That the Data Returns Report be received.</p>	

<p>09.18 <i>Decision</i></p>	<p><i>Subcontracting Arrangements</i></p> <p>Audit & Governance Committee gave consideration to the report on the current level of Subcontracting for 2017 / 2018 which was issued to the Committee as prescribed by the funding body. Monitoring of the various activities contributes to the Board's assurance framework.</p> <p>The report provided detail of numbers enrolled, the funding value, success rates and the reasons for subcontracting the provision. Audit arrangements ensured College complied with SFA requirements regarding providers who subcontract to a value in excess of £100k funded provision.</p> <p>Audit & Governance Committee noted that Lynwood had appealed to the ESFA for funding to deliver veterinary nursing apprenticeships to non-levy payers. As Lynwood were unsuccessful in their appeal, any funding could only be secured through a partner such as Myerscough.</p> <p>Myerscough had entered into a subcontracting arrangement with the National Training Academy for Rail (NTAR). For each learner Myerscough delivers the first year of the programme and NTAR delivers the work-based element in years 2 and 3. 16 learners had enrolled onto the first year of the programme meaning payments to NTAR would begin in year 2018 / 19.</p> <p>Members noted the subcontracted provision widened participation and served local community needs.</p> <p>Resolved:</p> <p>That the Subcontractors Arrangements Report 2017 / 2018 be received.</p>	
<p>10.18 <i>Decision</i></p>	<p><i>Corporation Vacancies</i></p> <p>Audit & Governance Committee gave consideration to the Corporation Vacancies Report.</p> <p>Support Staff Governor Adrian Boreham, and Independent members Sarah Burdaky and Ian Douglass were all leaving the Board with effect from 31 March 2018.</p> <p>A candidate had been interviewed in January 2018 with recommendation for appointment to the Board which would fill one independent vacancy.</p> <p>Members discussed methods to advertise the remaining independent vacancy utilising, LinkedIn, and the Education Training Foundation (ETF) funded portal, 'Inspiring FE Governance'. The Clerk would pursue the matter and liaise with the Chair and Vice Chair.</p> <p>Nominations for Support Staff Governor had closed with 3 candidates having been put forward. The Clerk would arrange an election for support staff to vote for their preferred candidate.</p> <p>Adrian was attending his last meeting of the Audit & Governance Committee. Members thanked him for his contributions and excellent service over 8 years. Members of management concurred with the Committee sentiment and wished to record their thanks and appreciation. Adrian responded appropriately.</p> <p>Resolved:</p>	

	<ul style="list-style-type: none"> • That Corporation be recommended to appoint Irene Ainsworth to the Board for a four year term of office commencing 1 April 2018. • That the Clerk arrange to circulate the forthcoming vacancy for an Independent Governor • That the position with regard to appointing a Support Staff Governor be noted. 	
<p>11.18 <i>Information</i></p>	<p><i>Skills Audit 2017</i></p> <p>Audit & Governance Committee gave consideration to the Skills Audit Report which was utilised in Governor recruitment.</p> <p>13 Governors had completed the survey. Overall the report indicated a strong Board with a good spread of skills and did not point to any one area where there was a clear deficiency.</p> <p>The areas 'Industry Knowledge of the land-based sector', 'Understanding of minority Communities' and 'Industry knowledge of the Sports Sector and the College offer in this area' showed an overall satisfactory level of skill amongst Governors they were also the areas where governors recorded the lowest level of a 'High' knowledge of the subject.</p> <p>Resolved:</p> <p>That the Skills Audit be received.</p>	
<p>12.18 <i>Decision</i></p>	<p><i>Governance Quality Improvement Plan 2017 - 2018</i></p> <p>Audit and Governance Committee gave consideration to progress against the Governance Quality Improvement Plan for 2017/2018 which contained six items.</p> <p>In relation to four of the items, members noted successful recruitment and good attendance and involvement from the Student Governors this year, publication of additional information available on the Governor Extranet, recent successful recruitment of independent members and a good response to the governor engagement programme.</p> <p>With respect to the other two items the Clerk was exploring opportunities to increase Governor awareness of the curriculum offer, financial plan, staff training (CPD) and stakeholder engagement.</p> <p>Resolved:</p> <p>That the Quality Improvement Plan update be received.</p>	
<p>13.18 <i>Decision</i></p>	<p><i>Governor Training - Away Event 2018</i></p> <p>The Governor Away Event for 2018 was confirmed as Friday 20 April 2018.</p> <p>To date Richard Caulfield from the Association of Colleges was confirmed to speak at the event.</p> <p>Brief time slots would be allocated to key information for Governors which would include General Data Protection Regulations (GDPR), insolvency laws etc.</p>	

	<p>The Clerk would meet with the Chair, Vice Chair and Principal to finalise the agenda</p> <p>Resolved:</p> <p>That the update on arrangements for the Governor Training Day be received.</p>	
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Signed:

Date: