

HARLOW COLLEGE FURTHER EDUCATION CORPORATION

AUDIT COMMITTEE

Minutes of the meeting held on Wednesday 28 February 2018

Membership	*P Bartlett (Chair) *C Chatt A Durcan
*denotes present	*R Levy
In attendance	P Goddard, Scrutton Bland M Stokes, Deputy Principal W Allanson, Vice-Principal D Morgan, Executive Director – Financial Services P Whitehead, Executive Director – Information, Data and Support R Lucas, Deputy Clerk to the Corporation

827 Apologies for Absence

Apologies for absence were received from A Durcan and D Sheridan.

828 Declarations of Interest

There were no declarations of interest.

829 Minutes of the Previous Meeting

The minutes of the Audit Committee meeting and the joint Audit and Resources Committee meeting both held on 30 November 2017 were agreed as an accurate record of the meeting and were signed by the Chair.

830 Matters Arising from the Minutes (not mentioned elsewhere on the agenda)

830.1 Audit Findings Report (minute 26 refers)

R Levy asked if a monthly audit trail has been put in place linked to the change of supplier details, as suggested by the external auditors. It was noted that this was a suggestion arising from external audit rather than a recommendation.

R Levy asked if the open insurance claim had been finalised. M Stokes confirmed that this is being dealt with by the insurers direct.

830.2 Annual Report and Financial Statements for 2016/17 (minute 27 refers)

R Levy asked if the College had received written confirmation from the bank that both bank covenants were met last financial year. M Stokes reported that this has not yet been received.

831 Internal Audit Reports

831.1 Safeguarding

The Audit Committee received and considered the internal audit report on Safeguarding presented by P Goddard, Scrutton Bland.

P Goddard highlighted the areas covered by the audit and informed Governors that the internal audit report on Safeguarding provided Governors with significant assurance that the governance, risk management and control arrangements for the material risks reviewed are managed effectively. Governors noted that one medium level recommendation and two low level recommendations had been made and that the recommendations were accepted by Harlow College.

P Goddard highlighted the recommendations and management responses and a discussion was held around how to ensure that staff training on Safeguarding and Prevent is evidenced. R Lucas agreed to provide Governors with statistics how many staff members are up-to-date with the online training and how many attended the recently held staff briefing sessions. It was also agreed that the training should be undertaken by all Governors.

The Audit Committee noted the internal audit report on Safeguarding.

831.2 Key Financial Controls

The Audit Committee received and considered the internal audit report on Key Financial Controls, presented by P Goddard, Scrutton Bland.

P Goddard highlighted the areas covered by the audit and informed Governors that the internal audit report on Key Financial Controls provided Governors with significant assurance that the governance, risk management and control arrangements for the material risks reviewed are managed effectively. Governors noted that three low level recommendations had been made, one in each area of focus covered by the audit. P Goddard highlighted the management responses to the recommendations and a general discussion was held around the responses.

Governors noted that the recovery of debt was low risk to the College however there could be issues with non-levy apprenticeship payments. It was however recognised that this will be covered in the MIS audit therefore the Audit Committee agreed with the management response not to accept this recommendation and the recommendation will not appear on the audit tracker. R Levy asked if a breakdown of the apprenticeship income could be provided in the management accounts.

The other two management responses were agreed by the Audit Committee with recommendation 2 not being accepted and recommendation 3 being accepted.

The Audit Committee noted the internal audit report on Key Financial Controls.

831.3 Internal Audit Risk and Assurance Progress Report

The Audit Committee received and considered the Internal Audit Risk and Assurance Progress Report presented by P Goddard from Scrutton Bland.

The Audit Committee noted that the Human Resources audit had taken place with no significant issues arising from it and that an initial GDPR audit day had taken place, with the full audit taking place on 26 and 27 March 2018.

The Audit Committee noted that there will be five internal audit reports presented to the June Audit Committee meeting and Governors requested that copies of each final audit report be sent to be them as soon as they are finalised rather than waiting for the Audit Committee meeting.

The Audit Committee noted the Internal Audit Risk and Assurance Progress Report.

832 Audit Tracker

The Audit Committee received and considered the Audit Tracker, presented by P Whitehead, Executive Director – Information, Data and Support.

Governors noted that recommendation 1 had not been actioned due to the changing landscape with apprenticeship procurement and delivery and noted that whilst individual team income and recruitment targets had not been met yet, teams have detailed recruitment plans in place. Apprenticeship delivery is still a priority for the College and the College is on track to meet its income targets. The Audit Committee noted that targets could be set next year and therefore agreed that the date and colour coding of the recommendation should change and that the recommendation should remain on the audit tracker.

Governors noted that the majority of recommendation 2 had been completed. Work has taken place on the website structure and the employer guide has been rebranded. The Audit Committee agreed to change the date for implementation and that the recommendation should remain on the audit tracker.

Recommendations 4 – 6 on data security are linked to GDPR and it was therefore agreed for the dates to be revised to May 2018 and the colour coding amended.

The Audit Committee approved the audit tracker subject to the changes noted above.

833 Risk Register

The Audit Committee received and reviewed the Risk Register, presented by P Whitehead, Executive Director – Information, Data and Support. Governors noted that all risks are reviewed by the College's Executive on a monthly basis and currently there are eight high risks, seven medium risks and two low risks.

Governors discussed changes since the last Audit Committee meeting and noted that no new risks have been added to the register. Governors noted that the risk of the College failing to meet its internally set target for project work and 19+ loans had been deleted as this risk is incorporated into other risks on the register.

The Committee noted that four risks have been rescored, two with a higher risk score and two with a lower risk score.

A detailed discussion was held around Risk 7 linked to Stansted Airport College. W Allanson provided an update to Governors and the rationale for increasing the risk score. After a detailed discussion it was agreed that the impact should be increased to 5.

D Morgan provided an update Risk 14 – VAT relief on buildings and Governors noted the action the College is taking, specifically in relation to the VAT rebate on HAMEC.

Governors noted the risks which now have a lower risk score and also noted that eight risks have updated risk control measures and / or sources of assurance.

The Audit Committee approved the risk register.

834 GDPR

The Audit Committee received and considered the report on GDPR, presented by P Whitehead, Executive Director – Information, Data and Support and R Lucas, Deputy Clerk to the Corporation. P Whitehead informed Governors that the report gives a broad overview of GDPR and mapped out how the College is implementing GDPR against the Information Commissioner's Office's 12-point plan.

Governors noted that a new Data Protection Policy has been drafted which will include a suite of policies, statements and privacy notices. Feedback from the initial day of the GDPR internal audit is being worked through and incorporated into the College's planning and preparations. A cross-College Information audit is being finalised which will provide an overview of what information the College collects and processes and for what purposes.

P Bartlett asked who the Data Protection Officer will be and it was confirmed that this will be the Deputy Clerk to the Corporation. P Bartlett asked how this role will be implemented and whether training is being accessed by the Deputy Clerk. Governors were informed that training is being accessed and were informed of how this role will work, providing a monitoring function across the College and how assurances will also be sought from internal audit on the College's compliance with GDPR.

A general discussion was held around how breaches will be detected and reported.

Governors noted that mandatory staff training will be delivered to all staff after Easter, along with Governor training on GDPR.

R Levy asked if data subject access request will also be handled by the Data Protection Officer. It was reported that there will be a generic DPO email set up and that such requests will either be sent via this email or the Clerk to the Corporation who currently deals with them along with Freedom of Information requests.

The Audit Committee noted the report on GDPR.

835 Report on Fraud Against the College

The Audit Committee received and considered the fraud report, presented by D Morgan, Executive Director – Financial Services. The Committee noted that the College had been subject to a failed fraud attempt where a hoax email had been sent requesting a BACS payment. D Morgan met with the finance team to highlight what action should be taken if requests like this are received.

The Audit Committee noted the report on fraud against the College.

836 Any Other Business

There were no items of any other business.

837 Dates of Future Meetings

Summer Term	Tuesday 19 June 2018	08.30am
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