

- (iii) on minute 6.2(vii) (Risk Management, Control and Governance), the Executive Director Finance and Resources agreed to expand the relevant Risk Register entry for the next iteration of the report to include consideration of the loss of the Principal. The Executive Director Finance and Resources noted that he had not actioned this point as he felt that it was not the sort of high-level strategic risk which the register was designed to capture. In addition, he asked how the College would plan to mitigate such a risk and who would take ownership of it. Governors noted that the matter had already been considered at Remuneration Committee and were satisfied with the approach;
- (iv) on minute 6.2(viii) (Risk Management, Control and Governance), the Executive Director Finance and Resources agreed to remove the timescale column from the next iteration of the Risk Register document. The Executive Director Finance and Resources agreed to action this for the next version of the register;
- (v) on Minute 8.2(ii) (College Policies), the Executive Director Finance and Resources noted that Budget holders would be required to confirm that they have read and accepted the updated Anti-Fraud Policy and Fraud Response Plan and Ant-Bribery Policy. The Executive Director Finance and Resources noted that, before the end of term, staff would be sent an email asking them to confirm that they had read the policies. Governors queried whether staff confirmation was enough. The Executive Director Finance and Resources noted that, for practical reasons, staff had to be taken at their word;
- (vi) on minute 9.3 (Internal Audit Reports), Governors agreed that if the issues relating to HR reporting remained, they would be revisited. The Executive Director Finance and Resources noted that the Internal Audit recommendations had been cleared off and that the Business Systems team had been providing reporting support to HR. Governors queried whether HR had indicated any further needs. The Executive Director HR noted that they had not but would be given another chance to do so at an upcoming Business Systems Strategy meeting;
- (vii) on minute 9.8 (Internal Audit Reports), the Executive Director Finance and Resources agreed to speak to the Head of IT regarding procedure in the event of a catastrophic systems failure which requires backup to new hardware. The Executive Director Finance and Resources noted that he had done so and that the Head of IT had assured him that the College's move to cloud-based storage mitigated the risk. The Executive Director Finance and Resources noted that the ESFA had issued a change of conditions to its funding agreements which required colleges to obtain ISO 27001. He noted that the College was, therefore, looking closely at network security and was working towards Cyber Essentials in the meantime. Governors queried whether funding would stop if the College failed to achieve ISO 27001. The Executive Director Finance and Resources confirmed that it was possible. Governors requested that the ESFA requirement be revisited at the next Audit Committee and be reported to the Board, pending the outcome of its discussions; and

- (viii) on minute 12.2(i) (Re-tendering of Audit Services), the Executive Director Finance and Resources agreed to give Governors the option to attend the re-tendering selection panel. However, it was noted that Crescent Purchasing Consortium (**CPC**), advised that the selection of a provider for each contractor should be done solely through evaluating and scoring bids submitted. Therefore, it was agreed that the recommendations of the Executive Director Finance and Resources would be accepted. The issue would be considered in more detail at Agenda Item 8, at which time Governors would be able to ask questions.

5 Status of Outstanding Audit Recommendations

5.1 The Executive Director Finance and Resources reported the following:

- (i) that no items were overdue pre-dating November 2018;
- (ii) that 90% of recommendations had been cleared;
- (iii) that only 3% of recommendations were overdue;
- (iv) that the funding assurance review recommendation, which arose due to an ESFA change to data requirements and record keeping around apprenticeships, in particular, and introduced the requirement for full price breakdowns, was nearing completion. He noted that all current records were up-to-date, and that the College was now in the process of dealing with historical records. He explained that the College was aiming for a revised deadline of 31 October 2019 but he was confident that the issue would be cleared by the end of September 2019;
- (v) that the IT acceptable use policy had been updated and would be circulated as a mandatory reading item in the Autumn term; and
- (vi) that the Business Systems Strategy had been updated and would be published in due course.

5.2 Governors considered whether the Executive Director Finance and Resources had any concerns regarding more recent recommendations. The Executive Director Finance and Resources noted that these would be dealt later in the meeting but that he had no concerns.

6 Risk Management, Control and Governance

This minute is confidential as it contains commercially sensitive information.

7 Internal Audit Reports

This minute is confidential as it contains commercially sensitive information.

8. Re-tendering of Audit Services – Recommendations

This minute is confidential as it contains commercially sensitive information.

9 Internal Audit Plan 2019/20 - 2021/22 – Verbal Update

- 9.1 The Executive Director Finance and Resources confirmed to ICCA-ETS that it had been recommended for re-appointment and that he would work with the Internal Auditors and Financial Statements Auditors to produce audit plans which he would circulate to Governors in due course.
- 9.2 ICCA-ETS outlined the 30-day plan which had been submitted with its bid to give Governors an idea of the issues it might cover, noting this may be subject to change following its discussions with the Executive Director Finance and Resources.
- 9.3 Governors considered whether the audit plan could be changed throughout the year. ICCA-ETS confirmed. The Executive Director Finance and Resources noted that ICCA-ETS' plan would be considered by the Executive Team first before circulation of a final version for Audit Committee approval.

10 Financial Statements Audit, Year ending 31 July 2019: Audit Plan – Verbal Update

- 10.1 The Executive Director Finance and Resources reported that he would carry out the due diligence noted above at minute 8.2(i) then ask RSM to prepare a plan which he would circulate to Governors in due course.

11 Annual Review of the Audit Committees Terms of Reference

- 11.1 The Clerk to the Corporation reported the following:
- (i) that the only change made to the Terms of Reference was to clause 2.1, increasing the Committee's membership from four to five to guard against inquorate meetings; and
 - (ii) that he had benchmarked the Committee against the Good Practice Checklist included in the Association of Colleges' and Education Training Foundation's 'Further Education College Governors Development and Training Programme Resource Pack', Module 12, and had been able to give positive responses to all of the questions posed.
- 11.2 Governors requested that provision be made in the relevant documents to enable Governors to count in the quorum where present by telephone, or other similar means of communication, for Committee meetings.

Resolved

That the Terms of Reference be recommended to the Board for approval.

12 Review of Effectiveness of Meeting

- 12.1 It was noted that the meeting had run to time and had been effective.
- 12.2 Governors queried the progress of the College's Draft Budget and asked for a quick update as to its financial position. The Executive Director Finance and Resources

noted that the budget scrutiny meeting had taken place that afternoon and gave a rundown of the College's position.

12.3 The Executive Director Finance and Resources noted that there was a risk relating to a cap on the apprenticeship levy which would be kept under review.

12.4 The date of the next scheduled meeting is Tuesday 19 November 2019 at 5.30pm.

Signed..... Date.....

Actions

No.	Minute	Details	Deadline	Responsibility
1.	4.1(vii)	The Audit Committee agreed to review the requirement to obtain ISO 27001.	The Audit Committee Meeting of 19 November 2019.	The Executive Director Finance and Resources.
2.	<i>Please see the Confidential Minutes.</i>			
3.	<i>Please see the Confidential Minutes.</i>			
4.	9.1	The Executive Director agreed to work with the Internal Auditors and Financial Statements Auditors to produce audit plans which he would circulate to Governors.	The Audit Committee Meeting of 19 November 2019.	The Executive Director Finance and Resources.
5	11.2	The Clerk to the Corporation agreed to make changes to the relevant documents to enable Governors to count in the quorum where present by telephone, or other similar means of communication, for Committee meetings.	The Board Meeting of 9 July 2019	The Clerk to the Corporation.