



MINUTES
of the Audit Committee
held on Monday 26 March 2018

- Present: - Mr Norman Moon (Chair)
Ms Sally Cassels
Mr Tony Ford
Mr Kevin Tong (Co-opted Member)
- In attendance: - Mr Edward Gwillim (Director of Finance)
Ms Clare Perez (Finance Manager).
Mrs Linda Watkins (Clerk to the Corporation)
Ms Louise Tweedie (RSM)

The meeting was quorate as four members were present. Welcome and introductions followed.

	Action
<p>5. Apologies for Absence Cllr Sebastian Bowen</p>	
<p>6. Declarations of Interest No declarations.</p>	
<p>7. I. Approval of the minutes of the meeting The Chair signed the minutes of the meeting held on 20 November 2017 as a true and accurate record.</p> <p>II. Matters arising</p> <p>A. The Director of Finance confirmed that following discussion with ESFA clawback had been paid back in January.</p> <p>B. A Governor asked if the summary of misstatements which was not material totalling £75,000 was correct. This related to the LGPS valuation for Ludlow College but would be confirmed.</p> <p><u>The Committee agreed:</u> -</p> <ul style="list-style-type: none">To approve the minutes	E Gwillim
<p>9. RSM Internal reports Louise Tweedie presented the following reports: -</p> <p>I. The progress report provided a factual report of progress of the internal audit plan which was on target.</p>	

II.	<p>Follow up of recommendations made in the previous academic year showed 13 recommendations had been followed up with more than half which had not been implemented within the date. The bar chart showed little progress overall. A request was made to add revised dates for outstanding recommendations. The Committee discussed medium risk recommendations noting that the format of the risk management register had been updated. Risk management training for the wider leadership team had been completed as part of staff development day at the end of the previous academic year.</p>	L Tweedie
	<p>The appendix of key suppliers in the estates management policy needed to be extended to become an approved contractor list list needed to be extended with a revised date of March 2018.</p>	
	<p>MIS need to be notified of student withdrawals promptly so that appropriate action could be taken as this could have funding implications.</p>	
	<p>There was discussion about meetings with budget holders to discuss budgets agreeing that these should be recorded, particularly specific actions agreed.</p>	C Perez
III.	<p>Governors asked if the Estates Manager would join the meeting to discuss the IT cyber security framework report noting that CMT had agreed only the Director of Finance would attend the Committee. Reasonable assurance was provided. The audit had reviewed IT security at each College site. There were 5 medium and 4 low priority recommendations which was similar across the sector. Recommendations included implementation of an IT strategy which management had agreed will be a brief and active strategy regularly reviewed by the IT and Moodle Group. There was challenge about the completion date of August 2018; however, RSM confirmed that this date would be acceptable do develop a strategy. The College is reliant on an external company for its firewall and web filter agreeing to follow up to identify when the company would address actions proposed which could be affected by GDPR making this a higher priority. There was concern that 41 computers had out of date anti-virus software. A further update of outstanding computers was requested. The inventory of IT equipment did not match software; however, only three items were tested in the sample out of c1500 computers. The College's password policy and requirement to change passwords regularly with more complex passwords only partly meets Government best practice. The Director of Finance would continue discussion with RSM separately. An information asset register will be prepared as part of planning for the GDPR. RSM confirmed that currently these are not in place in the sector. An update of progress would be</p>	E Gwillim
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		E Gwillim

provided at the next meeting.

- IV. Key Financial Controls was given reasonable assurance of the controls in place. There was discussion about changes to supplier bank details which could not be checked because the finance system did not have this facility. The Finance Manager confirmed that she had arranged a business efficiency review with the software company and would raise capacity to do a back-end audit trail. A Governor asked if there have been any incidents of fraud with confirmation that there had not been any incidents. The Finance Manager will also check the BACs payments against invoices.

C Perez

C Perez

The process to follow up debtors was reported noting a sample of ten aged debtors was tested. There was a question about the total number and approximate value of debtors. Total debtors were uncertain but are usually trivial amounts. It was agreed that this is a system issue which is high risk with low impact to the College.

Dates were requested to be added to the report.

L Tweedie

- V. Benchmarking Report 2016/17 was positive showing that reasonable or substantial assurance was provided on audits. The College had more medium priority actions; however, risk areas had been selected in the audit plan to provide maximum value to the process. The College has an adequate and effective framework for risk management, governance and internal control. It was acknowledged that management have additional work regarding the merger with NSC which is creating a capacity challenge. In addition, there had been a change of Finance Manager. It was agreed that the College's approach to use RSM to review complex areas and those requiring change should continue.

The Committee agreed: -

- To note RSM's reports

10. Audit Recommendation Tracking Report

This had not been updated since the last meeting as the Director of Finance had been concentrating on preparing the bid to the Transition Unit for the merger with NSC.

11. GDPR

The Director of Finance reported that the College had not assigned the role of Dater Protection Officer to date. There is an option to buy in support. A register of data held in all departments is being prepared. A suggestion was made to provide staff training so that staff understand expectations. A mandatory online training module would be provided for staff.

The audit planned in May 2018 was raised asking how RSM will provide support. This will test compliance against the ICO 12 steps to compliance including personal data maintained,

particularly on children under 18 years, Cloud providers and data maintenance in EU.

The Committee agreed: -

- To note progress to prepare for GDPR and were reassured that the College is in a reasonably good position to prepare for GDPR

12. Risk Management Register

In addition to the generic College risk register a separate risk register had been prepared relating to the merger with NSC. Additional professional services had been commissioned to prepare the bid to the TU and provision of finance management support for four days a week.

The Committee agreed: -

- To note the generic risk register dated November 2017 and the merger risk register
- The generic risk register would be updated in time for the Board meeting
- A risk on the potential impact of the merger with NSC would be added to the generic risk register

E Gwillim

E Gwillim

13. Any Other Business

There were no items.

14. Date and time of next meeting

The next meeting of the Audit Committee was arranged for Monday 11 June 2018 commencing at 4.00 pm.

Signed as a true record of proceedings

Chair: **Date:**