

Hereward College



Minutes of: AUDIT COMMITTEE

Date: 14<sup>th</sup> March 2022

Time: 08:30 a.m.

Place: via Microsoft Teams

Present: Mr S Brand (Chair)  
Mr S Crick  
Ms H Hillyard

In attendance: Ms S Dent (Vice Principal Finance and Resources)  
Ms J Ferguson (Vice Principal Safeguarding and Pastoral Care) **for item 21/28**  
Ms E Barker (Safeguarding Manager) **for item 21/28**

Mr P Clark (ICCA-ETS)

Mrs Y Doherty (Clerk to the Corporation)

#### **21/25 APOLOGIES**

Apologies for absence were received from Mr M Crook and Mr K Sonecha.

#### **21/26 MEETING WITH THE AUDITORS**

Mr Clark confirmed that there were no issues to raise. It had been possible to complete some of the work earlier than expected and the Annual Plan was on track for delivery.

Management had been very co-operative in ensuring that the reporting requirements for this meeting had been met.

Dates for the remaining reviews had been scheduled and at this point it no issues were envisaged.

It was queried if the reviews had gone well.

This was confirmed and particular attention drawn to the outcome of the IT Data Security review which had resulted in a lesser number of recommendations than would usually be anticipated.

It was questioned if an IT specialist had completed the review.

This was confirmed to be the case.

**Ms Dent, Ms Ferguson and Ms Baker joined the meeting.**

#### **21/27 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **FOR INFORMATION**

#### **21/28 DEEP DIVE**

##### **28.1 Safeguarding Deep Dive**

The Vice Principal Safeguarding and Pastoral Care and the Safeguarding Manager delivered a deep dive presentation on Safeguarding (circulated, document March 22/1).

The presentation included detail on

- the Safeguarding team
- recording of information and the CPOMS system (including a demonstration)
- safeguarding as part of the admissions process
- electronic and paper-based files
- overview of referrals and student safeguarding data
- the behaviour tiering system and data
- CMDT and MDT
- risk assessments (including an example)
- staff training
- student information
- quality cycle
- networks.

Comments included:

The assurance level from the recent IAS review was GREEN.

The presentation had delivered a comprehensive Deep Dive.

Points of discussion included

CPMOS – did the system include reminders/prompts where necessary?

This was confirmed to be the case. It was reported that if a response was required then a member of staff was assigned to the action and that this remained the case until the issue was resolved.

How often were formal points refreshed?

It was reported that Risk Assessments were updated every time there was an entry on to the CPOMS system, as the Risk Assessments were working documents.

Information sharing in conjunction with the GDPR requirements?

It was confirmed that requests were dealt with by the DPO, ensuring that information shared was factual, timely and accurate, with redaction completed as necessary.

It was commented that the Committee had been provided with comprehensive assurance via the Deep Dive and IAS review, but in terms of escalation were issues reported to any of the sub-committees?

It was confirmed that the Board received update reports at each meeting.

It was queried if incidents of more immediate need were reported to the Principal/Chair, e.g. where the college reputation could be at risk?

It was reported that incidents were considered at the weekly meeting of the SLT, and that any issues would be raised, as appropriate, with the Chair in the fortnightly conversations held with the Principal. There was also a responsibility to inform the ESFA which would be included in the update reports to the Corporation.

It was noted that not all of training was on an annual cycle, and this was queried.

It was confirmed that the legal responsibility was for completion every two years, but annual updates were provided via the Safeguarding Manager on issues such as Prevent/Online Safety/Peer on Peer. The timetable provided for learners to leave college early on a Tuesday which provided time that could be utilised to ensure that staff were updated as necessary. In addition, CPOMS also identified training needs that were usually specific to an individual.

**YD/JF**

A brief summary of the framework and policies that were presented to the Corporation and the controls was requested.

It was reported that the 'Keeping Children Safe in Education' was reviewed and republished on an annual basis. 'Working together to Safeguard Children' also provided additional detail on requirements. These informed any revisions to the College policies, which also included links to the guidance, that were then presented for Corporation approval in the autumn term.

The Behaviour Tiering System was noted, in particular the CMDT support at Tier 3. It was questioned if this was available as necessary to those learners assessed in Tiers 1 and 2.

This was confirmed to be the case.

MDT minutes – distribution and mechanism were raised.

It was reported that these were distributed to the Pathway Leaders and anyone L3 trained to provide 'need to know' information. However, as with any sensitive information minutes were only shared where appropriate and in a version that did not provide the complete detail, only what was necessary.

Archiving

It was confirmed that the standard period for the archiving of learner records was 7 years, albeit that there could be some personal data that was subject to differing retention periods, e.g. medical records.

If resources were unlimited what would provide a better service?

Additional resource in to the Safeguarding Co-ordinator Team which would allow for a more proactive, rather than reactive, approach.

The Committee agreed that it had been a comprehensive and informative presentation and extended thanks to Ms Ferguson and Ms Baker.

**Ms Ferguson and Ms Baker left the meeting.**

**FOR DECISION**

## **28.2 Deep Dives**

The Committee considered a report on the Deep Dives that had been delivered to the Corporation sub-committees (circulated, document March 22/2).

Drivers for deep dive areas were considered, including, learner outcomes, the strategic risk register, College strategic plan, OFSTED inspection framework developments, ESFA Audit Committee paper (Jan 2022).

Committee members were asked for suggestions.

Discussion identified the following points:

- Admissions – driving income streams/mini update on income strategy/diversification
- Use risk register as a basis; income diversification/learner numbers/funding for costs of delivery/strategy/redevelopment of the estate (funding)/inflation
- Were there any areas of concern from the wider sector?
  - This was typically associated with:
    - *Finance/AEB/apprenticeships/limited ESFA protection*
    - *IT data security*
    - *Accommodation*
- AEB was considered on a regular basis especially via Q&S committee

- Consider looking at the whole learner journey including the costing processes/market rates/covering costs/impact of lag funding
- Overlay context of costing process
- College utilises ICCA expertise/information from the sector whilst allowing for the college specialism. It was acknowledged that ICCA would typically have GFE costings but would have some high needs information
- End to end review as risk can materialise at any stage, propose end to end from perspective of costing/hourly rates  
It was suggested that this could provide an overview of direct costs and overheads. The cost base and overhead approach, the flat 3% increase this year, a sense check via Pathways and direction of travel, where now and were going
- Future inspection of Governance.  
Residual risks from the impact of COVID on the governance processes, engagement, use of technology for remote meetings – impact on relationships and knowledge/sense of the ‘working’ college and ethos/culture. Would improve with more face-to-face interaction? Time commitment required, more informal interactions between governors and SLT and greater understanding of the flow of work (Committees-Corporation). Audit Code of Practice expectations.

The Committee considered timings of deep dives over the course of the next 12 months.

- 1) Towards understanding fully costed curriculum
- 2) SR2-4: *‘Failure to match accommodation to curriculum/learner requirements and developments’*  
Not least on basis of potential Ofsted inspection  
It was suggested that as the work on the feasibility study was just beginning this would link into the redeveloped Accommodation Strategy
- 3) SR2-7: *‘Failure to increase the ability of teaching and support teams to manage more complex presentations’*  
This was fundamental to the future strategy; how many staff have requisite skills/training – parameters of such a deep dive to be refined  
Ensure that financial risk is separated from quality and curriculum to make sure that scope is clear  
The Committee considered planning an End-to-End Costing Deep Dive in June 2022?  
It was suggested there would be an initial presentation confirming the current position and contribution to budgets. More detail could be provided in later presentations.

The Committee considered appropriateness of deep dive on Accommodation Strategy in June 2022?  
It was advocated that this would be too early  
Potentially November 2022?

- 4) IT and Data Security – watching brief
- 5) Strategic Direction and effective Governance – watching brief

It was **RESOLVED THAT** the future deep dives would be:

- |  |                     |
|--|---------------------|
| 1) Initial presentation on costings (end to end):        | June 2022           |
| 2) Accommodation Strategy (SR 2-4):                      | Autumn term 2022    |
| 3) Complex presentations (SR 2-7):                       | review in June 2022 |
| 4) IT Systems & Services (SR 4-7):                       | watching brief      |
| 5) Strategic Direction and effective Governance (MV 01): | watching brief      |

## 21/29 MINUTES OF THE LAST MEETING

The minutes of the previous meetings on 22<sup>nd</sup> and 25<sup>th</sup> November 2022 (circulated, document March 22/3) were considered.

It was **RESOLVED THAT**, the minutes of the meetings held on 22<sup>nd</sup> and 25<sup>th</sup> November 2022 be approved.

## 21/30 **MATTERS ARISING**

*21/18: Financial Statements 2020/21:*

*Potential impact of repaying the loan and options for financing*

The Vice Principal Finance and Resources reported that Mr Oxtoby had provided the contact details previously discussed, but no additional action had yet been taken as it was anticipated that the outcome of the feasibility study would provide the required focus in terms of future developments.

The Committee confirmed that the action had related to the existing loan that was in place and the potential for refinancing this. It was suggested that it might have been/could be possible to negotiate more favourable rates, notwithstanding the current inflationary pressures etc.

It was **RESOLVED THAT** the Vice Principal Finance and Resources would investigate and report back. **SD**

The Chair commented that he would be considering how to improve the dissemination of the relevant detail from the Audit Committee meetings to the wider Corporation membership.

The Chair also acknowledged that there was a need to review the scheduling of the Committee meetings. It was advocated that given the other commitments of the members, and the extensive content increasing length of the meetings, that they should be scheduled for early evening, from 5.00pm onwards, beginning in June 2022.

The Vice Principal Finance and Resources raised the issue of the catering contract.

As had been previously reported the tender had been issued in line with OJEU requirements but that there had been no responses. As a result, it had been proposed that a shorter process be adopted to support a reissue of the tender. This was being managed by Litmus. It was hoped that progress could be made given there were now 4 interested parties.

The Vice Principal Finance and Resources had referred to the external auditors regarding the revised process, and no issues had been raised other than the need to report the position to the Corporation.

Discussion points included:

Was the annual value of the contract over the threshold, over the complete contract term?

Could the provision be delivered 'in-house'?

It was reported that provision of an in-house service was undermined by the need to provide sickness cover and the pension contributions for employees.

Consideration was also being given to the potential for the kitchen facilities to be used 'outside of hours'.

It was acknowledged that pension contributions were a substantial issue, and that there would be a need for a large turnover to justify this.

**FOR INFORMATION****21/31 RISK MANAGEMENT**

The Vice Principal Finance and Resources presented the Risk Management Update report (circulated, document March 22/4).

The following points were highlighted:

- The Strategic Risk Register had been updated to reflect current controls and residual risk.
- The Action List had been updated to include progress, as well as any revised target dates and new actions that had been identified.
- An update on Health and Safety was provided.
- Regular updates on strategic and operational risks facing the College were also provided in the Management Accounts report considered at each Corporation meeting.
- The controls regarding accommodation were subject to review given the current work in relation to the feasibility study and possible outcomes.
- It was acknowledged that a cautious approach had been adopted in reviewing and revising the levels of risk, especially where the level of risk had been assessed as increasing.
- There was an increased prevalence of cyber-attacks.
- Finance – especially regarding inflationary pressures
- A meeting of the Risk Management Group was scheduled for 23<sup>rd</sup> March 2022

Discussion points included:

SR3-3: Attendance at regional groups – was there sufficient coverage or was additional support required?

It was agreed that the Vice Principal Finance and Resources would review this with the Principal and Vice Principal Quality and Curriculum **SD**

Was there too much risk averse scoring? Following examples:

*SR4-7: 'Failure to provide fit for purpose IT systems and services, limiting College productivity & increasing the risk of cyber-attacks & data breaches'*

The risk had been revised from amber (housekeeping) to red (significant) despite the recent IAS review of IT Data Security (see minute 32.1.1) providing substantial assurance

Similarly, with

*SR4-1: 'Failure to ensure the ongoing financial viability of the college, leading to a failure to meet the requirements of the Bank and LGPS and moving the College into the Insolvency Regime'*

The high-risk environment was acknowledged but there was a need to assess the current position against any possible future position and to differentiate in terms of the risk score and recognise the work that was in progress.

*SR2-7: 'Failure to increase the ability of teaching and support teams to manage more complex presentations'*

It was important to understand if this was the actual position or a theoretical risk

It was suggested that some of these points could be attributable to timings and potential long-term strategic needs. There was a considerable amount of work in progress but reporting the changes in assessed risks had been considered important. It was suggested that future reports could include the detail of the reasoning for any change and provide context. Possibly to include the scores from each meeting.

**Committee members agreed that overall, the format of the report was an improvement and was much clearer but suggested the report should include a 'direction of travel' indicator. **SD****

SR2-3: *'Failure to comply with the Code of Practice or meet the regulatory body requirements (Ofsted and CQC) resulting in closure/reputational damage'*

Why had this risk level increased given the actions that had been completed in response to the CQC report?

It was reported that the increased risk level had been assessed on the basis of the report/potential reputational damage/CQC rating now in place

SR4-1: *'Failure to ensure the ongoing financial viability of the college, leading to a failure to meet the requirements of the Bank and LGPS and moving the College into the Insolvency Regime'*

What modelling had been completed for an anticipated period of higher inflation/interest rates?

A 3% increase had been included in the forecasting/budgeting cycle.

SR2-4: *'Failure to match accommodation to curriculum/learner requirements and developments'*

Why had this increased?

It was acknowledged that this was generally low risk, with the Accommodation Strategy as a control, but as a revised version was still in development this could not be relied upon. It was advocated it was a timing issue.

It was suggested that the college was still able to deliver in the current position, so the assessed risk could potentially be amber (rather than red). Whilst strategies to mitigate were not yet in place this did not impact the ability to deliver.

An update on the meeting held on the 9<sup>th</sup> March regarding governors training was requested.

It was reported that the College would be looking to move to face-to-face safeguarding and prevent training for Governors that would be delivered by the Safeguarding Manager. This would be delivered on an annual basis and would be included in the College annual programme of training.

It was **RESOLVED THAT** the Risk Management update report be noted and received.

## 21/32 INTERNAL AUDIT

### 32.1 Internal Audit Service Reports

#### 32.1.1 IT Data Security 02.21/22 (circulated, document March 22/5)

Mr Clark reported on the IT Data Security audit report.

The objective of the audit review was to provide an independent assurance opinion that arrangements are in place and procedures documented to minimise disruption, maintain the service continuity of the College and the security and integrity of critical data.

#### OVERALL ASSURANCE CONCLUSION:

Design: **GOOD**  
 Application/Compliance: **ADEQUATE**  
 Assurance Opinion: **SUBSTANTIAL**

It was highlighted that the review had resulted in three recommendations: 1 medium risk and 2 low risk. Comparatively this was a good overall outcome, as this was a reduced number of recommendations to what was typically seen.

Points of discussion included:

When would implementation of the recommendations be reviewed?

It was reported that follow up was usually completed in the late spring/early summer term of the next academic year, allowing up to 12 months for implementation to be completed.

Did the review consider disaster recovery, backups etc.?  
It was confirmed that this had not been included as part of the review.

It was questioned if this had been included as part of the last review of the Business Continuity Plan.  
It was agreed that the Vice Principal Finance and Resources would confirm this.

SD

Penetration testing was questioned.  
It was confirmed that this had been completed in readiness for the introduction of the GDPR provisions and was part of the Cyber Essentials accreditation that the College had achieved.

p.g.4 'patching appears to be up to date' – was it to be assumed that this had been discussed with the Technical, Estates and Facilities Manager?

It was confirmed that the report did not state that this had definitely been tested, more that it was an overview.

The need for the Committee to have greater assurance was questioned  
It was agreed that Mr. Clark would confirm the position.

PC

p.g.4 'the UPS device gives enough power for approximately 10 minutes of operation, i.e. enough for a controlled shutdown. Had this been tested and was it enough?

It was suggested that from the wording used that this was the case.

PC

USB devices – the recommendation and response were noted. Was there a policy regarding the use of encrypted USB devices?

It was confirmed that the expectation was that USB devices should be encrypted, and those provided by the College for use by staff were.

It was **RESOLVED THAT** the IT Data Security 02.21/22 report be noted and received.

**32.1.2 Safeguarding, including the Prevent Duty 04.21/22** (circulated, document March 22/6)  
Mr Clark reported on the Safeguarding, including the Prevent Duty, audit report.

The objective of the audit review was to provide an independent assurance that the College has effective systems and controls in place to meet statutory duties, legislative requirements, and Ofsted criteria in respect of Safeguarding and 'Prevent'.

#### OVERALL ASSURANCE CONCLUSION:

Design: **GOOD**  
Application/Compliance: **ADEQUATE**  
Assurance Opinion: **SUBSTANTIAL**

It was highlighted that the review had not included the residential provision and so did not form part of the assurance opinion. Reference had been made to CQC for completeness.

Additional points included that the College had a comprehensive suite of policies, a well-qualified safeguarding team with comprehensive oversight, the implementation of safer recruitment practices and that the Single Central Register was in line with requirements.

The review had resulted in three recommendations: 1 medium risk and 2 low risk.



Points of discussion included:

CCTV cameras – how frequently were these monitored?

It was reported that there was no routine monitoring of live feed, and that the system was only used regarding incidents where necessary.

It was **RESOLVED THAT** the Safeguarding, including the Prevent Duty, 04.21/22 report be noted and received.

### **32.1.3 Follow Up 05.21/22** (circulated, document March 22/7)

Mr Clark reported on the Follow Up audit report.

The objective of the audit review was to provide an independent assurance opinion that progress with implementing previously agreed recommendations is satisfactory in the context of ensuring that there is no significant risk to the College being able to meet its strategic aims.

OVERALL ASSURANCE CONCLUSION:

Assurance Opinion: **SUBSTANTIAL**

It was reported that the completion of this review had been accelerated in order to progress the Audit Plan. It looked at performance against the recommendations made in 2020/21.

Typically, it was expected that 75% of the recommendation would have been implemented.

In 2020/21 there had been 10 recommendations.

8 had been fully implemented, with the remaining 2 partially implemented. These would be carried forward.

It was **RESOLVED THAT** the Follow Up 05.21/22 report be noted and received.

### **General Comments**

The Vice Principal Finance and Resources highlighted that the IT Data Security review had raised the issue of overall accountability/responsibility for cyber or information security not being formally defined in relevant policies or job descriptions. This supported the position of being key person reliant, which was perhaps the same in all colleges. Work to address this finding of the review was required.

Mr. Clark suggested that this could be an area where additional assurance could be achieved via a Deep Dive. This was recognised.

It was further advocated that this point could be included on the Strategic Risk Register with mitigating actions discussed and agreed with the Technical, Estates and Facilities Manager. **SD**

### **32.2 Progress against the Internal Audit Service Plan 2021/22** (circulated, document March 22/8)

The report provided a summary table of progress against the internal audit plan. It required further update to reflect the position against the IT Data Security report.

It was confirmed that there were no issues to report at this stage.

Three reports had been completed (as reported), with the dates for the remaining two scheduled for w/c 21.03.22 and the end of May 2022.

It was **RESOLVED THAT** the progress report against the Internal Audit Service Annual Plan 2021/22 be noted and received.

**21/33 PROGRESS AGAINST AUDIT RECOMMENDATIONS**

The Vice Principal Finance and Resources presented a report, which set out progress against audit recommendations (circulated, document March 22/9).

It was noted that the report contained updates against the recommendations arising from the audits completed in 2020/21, and the new reports for 2021/22.

It was **RESOLVED THAT** the Progress Against Audit Recommendations report be noted and received.

**21/34 GIFTS AND HOSPITALITY**

The Disclosure of Gifts and Hospitality document was received (circulated, document March 22/10).

It was noted that the information on the requirement to declare the receipt of gifts or hospitality was contained within the Corporation Standing Orders, Financial Regulations and Staff Handbook.

It was noted that one declaration of a gift had been received. Detail was provided.

It was **RESOLVED THAT** the Disclosure of Gifts and Hospitality update be noted and received.

**21/35 PUBLICATIONS**

The Committee considered a report on recent publications (circulated, March 22/11).

- ESFA Guidance on the scope of the work of the Audit Committee and Internal Auditors
- DfE letter on organisational changes, from 01 April 2022, impacting the ESFA.

It was **RESOLVED THAT** the report and recent publications be noted and received.

**21/36 ANY OTHER BUSINESS**

The Chair reaffirmed:

- the intention to schedule the next meeting of the Committee (June 2022) for early evening
- the intention to consider scheduling four meetings per academic year to allow for more regular updates and shorter meetings.

**21/37 DATE OF NEXT MEETING**

The date of the next meeting was confirmed as 13<sup>th</sup> June 2022

Signed

Chair

Date

Ref	<b>UNCONFIRMED</b>	Action by
<b><u>ACTIONS: AUDIT COMMITTEE 14<sup>th</sup> MARCH 2022</u></b>		
<b>21/28.1</b>	Cycle of Safeguarding Training to be confirmed	<b>YD/JF</b>
<b>21/28.2</b>	Deep Dives <ol style="list-style-type: none"> <li>1) Initial presentation on costings (end to end):</li> <li>2) Accommodation Strategy (SR 2-4):</li> <li>3) Complex presentations (SR 2-7):</li> <li>4) IT Systems &amp; Services (SR 4-7):</li> <li>5) Strategic Direction and effective Governance (MV 01):</li> </ol>	<p>June 2022</p> <p>Autumn term 2022</p> <p>review in June 2022</p> <p>watching brief</p> <p>watching brief</p> <p>To note</p>
<b>21/30</b>	<p><i>21/18: Financial Statements 2020/21:</i></p> <p><i>Potential impact of repaying the loan and options for financing</i></p> <p>The Vice Principal Finance and Resources to investigate and report back</p> <p><b>Catering Contract</b> – update</p>	<b>SD</b>
<b>21/31</b>	<p><b>Risk Management</b></p> <p>SR3-3: Attendance at regional groups – was there sufficient coverage or was additional support required?</p> <p>Vice Principal Finance and Resources to review this with the Principal and Vice Principal Quality and Curriculum</p> <p>Committee members agreed that overall, the format of the report was an improvement and was much clearer but suggested the report should include a ‘direction of travel’ indicator</p>	<b>SD</b>
<b>32.1.1</b>	<p><b>Internal Audit Report: IT Data Security 02.21/22</b></p> <p>The review had not considered disaster recovery, backups etc.</p> <p>Had this been included as part of the last review of the Business Continuity Plan.</p> <p>Vice Principal Finance and Resources to confirm.</p> <p>p.g.4 ‘patching appears to be up to date’ – was it to be assumed that this had been discussed with the Technical, Estates and Facilities Manager?</p> <p>It was confirmed that the report did not state that this had definitely been tested, more that it was an overview.</p> <p>The need for the Committee to have greater assurance was questioned</p> <p>Mr. Clark to confirm the position.</p> <p>p.g.4 ‘the UPS device gives enough power for approximately 10 minutes of operation, i.e. enough for a controlled shutdown. Had this been tested and was it enough?</p> <p>It was suggested that from the wording used that this was the case, Mr. Clark to confirm.</p> <p>Issue of overall accountability/responsibility for cyber or information security not being formally defined in relevant policies or job descriptions</p> <p>This point could be included on the Strategic Risk Register with mitigating actions discussed and agreed with the Technical, Estates and Facilities Manager</p>	<p><b>SD</b></p> <p><b>PC</b></p> <p><b>PC</b></p> <p><b>SD</b></p>