

Minutes of a Meeting of the AUDIT & RISK COMMITTEE

held on 12 February 2025, 1.30-3.30pm

Online Via Teams

1/25 APOLOGIES AND WELCOME

Apologies were received from Mr Graham Barnetson, Mr Martyn Pearl, Mr Stephen Brooks, and Ms Frances Millar. Dr Angela Buckley was appointed Chair for the meeting in the absence of the Chair and Vice Chair as per the Terms of Reference. The Director of Governance confirmed that the meeting was quorate as per the Terms of Reference.

The Chair of the meeting expressed thanks to Mrs Christine Palmer at her last meeting and noted her significant contribution to the Corporation and this and other Committees.

2/25 DECLARATION OF INTEREST

There were no declarations of interest.

3/25 APPROVAL OF THE NON-CONFIDENTIAL MINUTES OF THE MEETING OF 27 NOVEMBER 2024

The non-confidential minutes of the meeting held 27 November 2024 were approved as a true record.

4/25 MATTERS ARISING FROM THE MEETING OF 27 NOVEMBER 2024

The Director of Governance reported on Matters Arising. There was some discussion regarding the proposed workshop on audit planning for 2025/26 and it was agreed that the Committee Chair should be invited to attend alongside the senior leadership team (SLT).

It was requested that the item on catering at CECAMM be marked as in progress until results from the Aramark survey could be brought to the Committee.

The Committee were assured on the Monitoring of actions and Matters Arising to February 2025.

5/25 GDPR DATA BREACHES REPORT

The Head of IT and LRC (Information Technology and Library and Resources Centre) and Data Protection Officer (DPO) joined the meeting and presented the General Data Protection Regulation (GDPR) data breaches report. There had been three data breaches in the reporting period, two minor and one concern level. Action taken to resolve was outlined.

A Member commended the actions of the student who had brought one of the breaches to the attention of staff.

A Member enquired regarding the GDPR Policy. The Head of IT and LRC acknowledged that the Policy was overdue and assured the Committee that work was underway on data protection policies. The Director of Governance consulted the Committee on the process for policy approval and it was agreed that given the

significant financial and reputational risks related to GDPR that the Policy was requested to be reviewed by the Corporation at its next meeting in March.

A Member raised a question regarding the independence of the DPO role, particularly given that the person fulfilling the role was also the Head of IT. The internal auditor acknowledged the potential conflict of interest however it was common practice in some colleges, he reported. The Chief Operating Officer and Deputy CEO added that during the transition, a survey of colleges had revealed that many DPOs also held IT related positions.

The Committee NOTED the report for ALERT to Corporation.

6/25 DATA PROTECTION PASSWORD POLICY

The Head of IT and LRC and DPO presented the Data Protection Password Policy.

A Member enquired of the frequency of password updates. The Head of IT and LRC and DPO responded that automatic password changes were not currently recommended by the Cybersecurity Centre but that the College's insurance policy required a 90-day password expiry. He added that the College hoped this requirement would be removed. Following a further query, he advised that current security advice was for passwords to be changed only where a breach was suspected.

The internal auditor noted the Policy's strengths including multi-factor authentication. He questioned the minimum password length of 11 characters suggesting that 15 characters as recommended by the National Cybersecurity Centre would be preferable. The Head of IT and LRC and DPO responded that the 11 characters was an increase on the current 8 characters and was chosen as a compromise.

The Chair of the meeting enquired how password advice was communicated to students. The Head of IT and LRC and DPO clarified that the Policy was only applicable to staff however multifactor authentication was planned for implementation with students, and learner password practices would be addressed over the summer.

The Committee RECOMMENDED the Data Protection Password Policy for APPROVAL by Corporation.

7/25 FOI REPORT

The Head of IT and LRC and DPO presented the report on Freedom of Information (FOI) and Subject Access Requests (SAR). During the reporting period there had been four FOI requests and one SAR. All were responded to within the required timeframe.

A Member enquired regarding the time spent responding to requests. The Head of IT and LRC and DPO responded that the requests had not been overly time-consuming though he noted that some FOI requests could be more complex.

The Committee NOTED the report for ALERT to Corporation.

The Head of IT and LRC and DPO left the meeting.

8/25 INTERNAL AUDIT REPORT 2024/25 VISIT 1

The internal auditor presented the Internal Audit Report from visit 1. There had been two audits which covered Maths and English, and Student Recruitment. Both areas had been awarded Significant assurance.

Key findings for the Maths and English audit were outlined including compliance in meeting conditions of funding within threshold; exceeding the new requirement for 100+ hours of Maths and English; challenges in English achievement rates potentially impacted by grading boundary changes and positive action planning in relation to this issue. There was one low-risk recommendation regarding the completion of diagnostic assessments as part of the induction program focusing on improving the usability of Century software.

A Member noted the value of the reports and suggested that they be shared with the Curriculum & Quality Committee.

A Member enquired regarding the Century software rollout. The Chief Operating Officer and Deputy CEO explained that the Century software had been intended to replace previous software for diagnostics but its implementation had been inconsistent. IT was working with the software provider to resolve the issues. The Chief Operating Officer and Deputy CEO added that it was suggested that the English and Maths teams visit other colleges with successful Century software implementations.

Key findings for the Student Recruitment audit were outlined including the quality of management information deemed effective, and a successful 'mystery shopper' exercise yielding positive results. There were four low-risk recommendations made including the implementation of a focused student recruitment strategy accompanied by robust reporting mechanisms to monitor and evaluate its effectiveness; maintaining applicant engagement; and gathering feedback on the application process.

The Chair of the meeting enquired regarding progress with the Student Recruitment Strategy. The Chief Operating Officer and Deputy CEO confirmed that this was currently being worked on. The Principal suggested that the Strategy be delayed in order to incorporate the finding of the internal audit report. She emphasised the importance of addressing applicant engagement and integrating the feedback into the Strategy.

The internal auditor also provided a progress report on risk and assurance and outlined upcoming audits.

The Chair of the meeting noted the Significant assurance provided in these challenging areas.

The Committee NOTED the report for ALERT to Corporation.

9/25 AUDIT ISSUES LOG

The Chief Operating Officer and Deputy CEO presented the Audit Issues Log which including recommendations from the recent audit reports. She highlighted progress made on outstanding items including the completion of work on the information asset register. She added that the item would remain with an amber rating until staff training had been completed with a deadline scheduled for 31 March. DPO training and a central record of software licences had been completed.

A Member raised a query regarding staff utilisation. The Chief Operating Officer and Deputy CEO clarified that the College had historically performed well in staff deployment but that the audit finding had focused on recording of actions related to deployment and enrolment and not necessarily to under-utilisation. The Interim Director of Finance added that a review of devolved budget statements and management information system showed effective staff deployment and proactive management of staffing changes.

The Committee NOTED the report for ASSURANCE to Corporation.

10/25 ANNUAL REVIEW OF THE RISK MANAGEMENT POLICY

The Interim Director of Finance presented the Annual Review of Risk Management Policy and Risk Appetite Statement. He outlined key changes proposed including a separate Risk Appetite Statement explaining the College's attitude to risk in greater detail. The risk scoring methodology had been updated.

A Member commended the significant amount of work undertaken on the Policy to improve its clarity.

The internal auditor enquired regarding the Board's role in shaping the risk appetite assessment. The Director of Governance confirmed that the Committee's report would be presented to the Corporation who held ultimate responsibility for approval of the Risk Appetite Statement.

The Committee RECOMMENDED the Risk Management Policy and Risk Appetite Statement for APPROVAL by Corporation.

11/25 RISK REGISTER

The Interim Director of Finance presented the Risk Register. The Risk Register had been revised for improved navigation and allowed better extraction and analysis of data. It was intended to strike a balance between comprehensiveness and practicality for a college of this size.

Members praised the clear summaries and identification of high-risk areas requiring attention, and the ease of navigation and helpful organisation of information within the Register.

The Committee NOTED the report for ALERT to Corporation.

12/25 UPDATES TO THE FINANCIAL REGULATIONS AND FINANCIAL PROCEDURES

The Interim Director of Finance presented updates proposed to the Financial Regulations and Procedures. The most significant changes were to highlight the importance of compliance with Managing Public Money and the potential implications of non-compliance; and the addition of quick links to aid navigation.

A Member enquired how the College ensured that staff received, read and understood updated Regulations and Procedures. The Interim Director of Finance responded that the updated Regulations and Procedures would be shared with budget holders accompanied by a video explaining the changes and highlighting key areas. Business partners would confirm with budget holders that they had reviewed the updates.

The internal auditor referred to the recently implemented Procurement Act. The Interim Director of Finance confirmed plans to update the Regulations with procurement advice and highlighted a key change related to publishing a supplier list on the College website.

The Committee RECOMMENDED the Financial Regulations and Financial Procedures for APPROVAL by Corporation.

13/25 MPM ASSURANCE REPORT

The Interim Director of Finance presented the MPM Assurance Report. He noted inclusion of references to MPM within the Financial Regulations and Financial Procedures. He also highlighted training videos that had been produced for Governors on MPM, the Risk Register, and Management Accounts. There were no other matters to report with respect to MPM.

The Committee NOTED the report for ASSURANCE to Corporation.

14/25 DRAFT 3AS REPORT TO MARCH CORPORATION

The Director of Governance explained that this would form the Committee's report to Corporation of those items that the Committee wished to alert Corporation to, assure Corporation on, and recommend for approval or action. The report would be drafted in consultation with the Chair and SLT lead and circulated to Members for comment and approval prior to inclusion in the board pack.

15/25 DISCUSSION WITH AUDITORS (WITHOUT MANAGEMENT PRESENT)

This was not required.

16/25 ANY OTHER BUSINESS

There was no other business.

17/25 SELF-REVIEW OF MEETING

The Chair of the meeting led members in a self-review of the meeting. The quality and clarity of reports and the strong controls in place were commended. The value of the external validation provided by the new internal auditors was also recognised.

18/25 DATE OF NEXT MEETING

Wednesday 11th June 2025