

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON  
 WEDNESDAY 14 OCTOBER 2020 AT 12.00 PM  
 VIA MICROSOFT TEAMS VIDEOCONFERENCING**

<b>Present:</b>	Mr Graham Cooper	Chair
	Mrs Chris Palmer	Vice Chair
<b>In Attendance:</b>	Mrs Debbie Lavin	Principal
	Mr Peter Thompson	Assistant Principal
	Mrs Tracy Bull	Director of Finance & Curriculum Planning
	Mr Brian Bowker	Clerk to the Corporation
<b>In Attendance (External):</b>	Ms Melanie Weston	Southern Internal Audit Partnership
<b>Apologies:</b>	Mr Gordon Pownall	
	Mrs Sharon Whiten	Co-optee

**Due to a late non-attendance by a Governor employed in the NHS, the meeting was not quorate.**

		<u>ACTION</u>
<b>29/2020</b>	<b>DECLARATIONS OF INTEREST</b> There were no declarations of interest.	
<b>30/2020</b>	<b>APPROVAL OF THE NON-CONFIDENTIAL MINUTES OF THE MEETING OF 9 JUNE 2020</b> The minutes were approved as a true record of the meeting.	
<b>31/2020</b>	<b>MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 9 JUNE 2020</b> It was noted that all matters arising had been addressed.	
<b>32/2020</b>	<b>COLLEGE BOARD ASSURANCE FRAMEWORK: RISK MANAGEMENT ANNUAL REPORT</b> The Assistant Principal (Finance & Resources) reminded Members that the report provided an overview of the management of risk at the College He then summarised progress and development in the last year and outlined plans for future developments.  <u>The Committee NOTED the report.</u>	
<b>33/2020</b>	<b>UPDATED COLLEGE RISK REGISTER</b> The Chair reminded Members that the fundamental component of the Audit Committee responsibilities is the monitoring of the College's management of risk and the associated development of the College risk register. He stated that it was important to remember this when considering and interrogating the risk register.  The Assistant Principal (Finance & Resources) said that the register is a live document and is constantly being reviewed and revised. During the latest review it was recognised that there is an overlaying and duplication of risk and the aim of the latest revision is to merge relevant component risks to maintain a focus on key issues. In summary, he stated that the priorities for development will include; pruning the	

		<u>ACTION</u>
	<p>register and, where possible, ensuring risks are not duplicated; implementing internal audit management actions; relocating ownership of risk following the retirement of senior staff and readjusting risk management responsibilities; cross referencing the risk register to the new strategic plan.</p> <p>The Assistant Principal said that some risks have been re-scored due to changes in the business or external environment, with COVID related risks being a priority. An additional new risk has been added to reflect the adjustment to the catering contract required to maintain student service.</p> <p>A question was asked regarding the cross-college risk assessment process and when that would be completed and a further question was asked about the risk described as 'poor quality health &amp; safety practices, which may lead to harm, legal action and damage to reputation.' The Assistant Principal responded in detail, explaining that the risk ratings regarding health &amp; safety practices had been increased due to the impact of COVID.</p> <p>The Chair asked if an assessment of the impact of COVID on Island businesses, with attendant implications for College apprentices and development of T Levels, had been assessed. The Assistant Principal agreed to review this and amend the risk ratings and controls in the relevant section of the register (2d).</p> <p>The Chair commended the Assistant Principal and his team for the very positive progress with the risk register, which is now a slimmed down and more concise document.</p> <p><u>The Committee CONSIDERED the report.</u></p>	PT
34/2020	<p><b>INTERNAL AUDIT 2019/2020 – VISIT 3 REPORT</b></p> <p>The Southern Internal Audit representative thanked all College staff who had supported the audit, particularly given the demands of developing and implementing a remote audit process. She informed Members that because of this each internal audit area received a separate report, rather than one internal audit visit report which consolidated all areas.</p> <p>Members considered the report and congratulated the College on the outcome of the two areas audited, with one receiving adequate assurance and one receiving substantial assurance.</p> <p>The Assistant Principal (Finance &amp; Resources) informed Members that the planned audit of cyber security has not yet been completed. This is due to the retirement of two staff which has made the organisation of the audit more complex. The College has requested that this audit be completed by January 2021. The Committee supported this request but it was agreed that full Corporation approval should be sought at the meeting later in the day.</p> <p><u>The Committee CONSIDERED the report.</u></p>	Chair

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<b>35/2020</b>	<p><b>AUDIT ISSUES LOG</b></p> <p>The Director of Finance &amp; Curriculum Planning presented the report and provided a review of progress in resolving action points arising from previous audits. She stated that all outstanding action points carried over from the previous log had been updated. Actions arising from internal audit visit 3 will be incorporated into the log for the December 2020 meeting. In conclusion, she said that there are three remaining incomplete actions and these have been discussed with the relevant managers and revised target dates and actions have been agreed.</p> <p>The Chair noted that there were no “red” or “orange” items which is excellent, given the difficulties generated by current circumstances.</p> <p><u>The Committee CONSIDERED the report.</u></p>	
<b>36/2020</b>	<p><b>SOUTHERN INTERNAL AUDIT PARTNERSHIP: STANDARDISATION OF ASSURANCE OPINIONS</b></p> <p>The internal audit representative provided the background to the changes in terminology and definitions for internal audit opinions. She said that SIAP wanted to conform to best practice introduced by CIPFA and there is only one specific change to the terminology that they are currently using (“adequate” to “reasonable”).</p> <p><u>The Committee NOTED the report.</u></p>	
<b>37/2020</b>	<p><b>ANNUAL FRAUD REPORT</b></p> <p>Members considered the report and noted that during 2019/20 there were six instances of potential fraud identified and investigated. In each instance the staff concerned met with representatives of the Finance Department with a view to preventing any reoccurrence.</p> <p>A question was asked regarding the nature of the fraud and whether any of the incidents accrued any losses and were determined to be actual fraud. The Director of Finance &amp; Curriculum Planning said none of the incidents were deemed to be fraudulent.</p> <p>The Chair commented on the six instances of potential fraud and was pleased with the action taken by the College, for example in relation to the phishing item regarding an email supposedly from the Chair of Corporation.</p> <p><u>The Committee CONSIDERED the report.</u></p>	
<b>38/2020</b>	<p><b>STAFF REWARDS 2019/2020 REPORT (<i>Staff &amp; Student Confidential</i>)</b></p> <p>The Chair offered to investigate the possibility of discounted ferry tickets on Wightlink.</p> <p><u>The Committee CONSIDERED the report.</u></p>	<b>Chair</b>
<b>39/2020</b>	<p><b>REVIEW OF REGISTER OF INTERESTS/DECLARATION OF ELIGIBILITY</b></p> <p><u>The Committee CONSIDERED the report.</u></p>	

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<b>40/2020</b>	<p><b>GDPR DATA BREACHES</b></p> <p>Members noted that all data breaches in the College are now logged centrally with relevant details and actions taken. The rigorous approach adopted by the College in addressing potential breaches was commended.</p> <p><u>The Committee CONSIDERED the report.</u></p>	
<b>41/2020</b>	<p><b>ANY OTHER BUSINESS</b></p> <p><b>PREPARATION OF FINANCIAL STATEMENTS</b></p> <p>The Director of Finance &amp; Curriculum Planning said that she had been in communication with the head of the College's external audit team regarding the impact of leaving the EU on the preparation of the financial statements from 1 January 2021. Members considered the communication and noted that there was unlikely to be any impact on the College's financial statements.</p> <p><u>The Committee CONSIDERED the report.</u></p>	
<b>42/2020</b>	<p><b>DATE OF NEXT MEETING</b></p> <p>Thursday 3 December 2020, 4.00pm – 5.30pm, Microsoft Teams.</p>	

Date: \_\_\_\_\_ Chair: \_\_\_\_\_

<p><b>MISSION STATEMENT</b>  <b>Putting Students First</b>  <b>Working with Employers</b>  <b>Supporting our Community</b></p>
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