

<b>Chair</b>	Neil Yeomans
<b>Corporation Members</b>	Gareth Wall, Cynthia Griffin
<b>Co-opted Member</b>	Thana Nathan
<b>Auditors</b>	Leisyen Keane - Internal Auditors (Scrutton Bland) Paul Goddard - Internal Auditors (Scrutton Bland)
<b>Officers</b>	Gerry McDonald: Group Principal & CEO Suri Araniyasundaran: Deputy CEO
<b>Minutes</b>	Elsa Wright – Director of Governance

<b>Item No</b>	<b>Item of business</b>
<b>1.</b>	<b>Welcome and introductions</b>
<b>2</b>	<b>Apologies for absence</b> All members were present.
<b>3</b>	<b>Declaration of Interest</b> There were no declarations made.
<b>4</b>	<b>Minutes of the Last Meeting Held on 3 December 2020</b> The minutes were agreed as drafted
<b>5</b>	<b>Matters Arising and Action Points from the Meeting</b> The action points would be addressed in the meeting or had been completed. The Director of Governance had spoken to the Group HR Director about Whistleblowing training and would follow this up.  <b>ACTION – Whistleblowing training to be followed up with PA</b>
<b>ITEMS FOR DISCUSSION, DECISION OR ACTION</b>	
<b>6</b>	<b>Sector update</b>  Paul Goddard gave a short update. There were a small percentage of colleges struggling with cash flow and there was an impact with commercial activity dropping due to the pandemic. ESFA audits were ongoing but some had been delayed and were being completed remotely. The GLA were also auditing adult allocations. The January Skills for Jobs White Paper had talked in detail about the role of employer groups in helping to inform the course offer and in planning. There was the proposal for lifelong loan entitlements along with more powers for the FE commissioner to intervene in colleges which were failing. The paper trailed an overhaul in funding but with little detail. Brexit should allow for a transformation of public procurement but that could take 12 to 18 months. T level audits were just beginning so there may be lessons to learn from those. It was confirmed that most colleges were keeping to their IA schedule with some dates rearranged to allow for the focus on the March re-opening.

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7	<p data-bbox="233 309 563 342"><b>Internal audit reports</b></p> <p data-bbox="233 376 1449 465">There had been good progress with the apprenticeship audit follow up. One high and one medium risk had been partially addressed and four low risk recommendations were in hand.</p> <p data-bbox="233 506 914 539"><b>Estates management – reasonable assurance</b></p> <p data-bbox="233 539 1449 629">This was a whole group report. There was no central system for FM and estates compliance. There were 3 medium risk recommendations. The IA expected there to be a software solution which held the data and then some KPIs would be set for monitoring.</p> <p data-bbox="233 669 1457 824">Governors <b>asked</b> how this was currently managed. Spreadsheets were used as well as Topdesk but this wasn't suitable for allocating estates tasks. The Deputy CEO was looking to see if Topdesk could be adapted or whether a new system was needed. This would be completed by August 2021 and the college was content with recommendations and timeframes.</p> <p data-bbox="233 864 1461 1149">Staff at Epping were absent during the audit and this would be covered in the follow up. Testing certificates were held in paper copy and on different sites so the IA team had not been able to access them all. There was a discussion about whether the report needed to be reported to the Property Committee. The Deputy CEO confirmed that they were informed of the estate through the Master Planning work. Surveys had been completed for campuses and reported in papers going to Property committee covering bids for capital projects. The CEO confirmed that the focus of the committee was on large capital projects rather than ongoing estates maintenance. The priority was to ensure that the IT system was suitable for efficient estate management.</p> <p data-bbox="233 1189 882 1223"><b>Business continuity – significant assurance</b></p> <p data-bbox="233 1223 1436 1346">There were areas of both good and best practice. There were three 3 recommendations including the completion of different policies and plans across the campuses where there were some gaps or data was missing. Scenario testing would clear that up and the CEO confirmed this would have been a priority had there not been a pandemic.</p> <p data-bbox="233 1386 1445 1798">The Chair wished to commend the leadership of the college for their handling of the situation and their communication which, as a governor, had been both outstanding and reassuring. There was a discussion of the validity of the scenario approach to BCP. Over this year, it did not help. It was the skill and experience of the team and the ability to respond both tactically and quickly to a constantly changing scenario which had been successful. There would be important points to learn and capture but if BCP was run again it should have a different scope. It was important to have a level of resilience to deal with a range of scenarios. The report was useful and it was important to pivot and respond to the changing situation. Work on barriers at Poplar and tannoy systems like at Epping would help in different scenarios. It would be helpful to assess vulnerability and what would happen if college systems were incapacitated for a long time. Other areas could look at finances and stress scenarios and how to mitigate them but it needed to be appropriate to the college context.</p> <p data-bbox="233 1839 1465 1928">There was a business resilience audit next year in its broader sense. It would be helpful to drill down and look at issues such as system failure. For example, IT failure during enrolment or online teaching if the servers crashed during another lockdown.</p> <p data-bbox="233 1968 850 2002"><b>Cash flow forecasting - Strong assurance</b></p> <p data-bbox="233 2002 1382 2058">There were no recommendations. There was a robust framework in place which was comprehensive. It was a strong process and it was good to have this confirmed.</p> <p data-bbox="233 2098 472 2132"><b>Progress report</b></p>

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	<p>All audits were scheduled as planned and the 5 year rolling plan was included. The CEO confirmed that Gatsby was a career's advice code.</p> <p>There was a discussion about cyber and penetration testing. The IA team didn't do full penetration testing but covered port testing and firewalls. The Deputy CEO confirmed that the college had gone through some of the Cyber essentials programme and would report back at the June meeting.</p> <p><b>ACTION – Deputy CEO to report to next meeting on what testing had been completed.</b></p> <p>There would be a discussion in June about the plan for 21/22. There was scope for a review of the resilience of IT applications rather than the structures themselves. It was important to look at the critical applications which would cause operational difficulty if they were not available.</p> <p><b>ACTION – Deputy CEO to report on critical IT application</b></p>
<b>8</b>	<p><b>Attempted fraud</b></p> <p>There were no items to report as no attempts had been made. There was a discussion about how this was captured. They would be reported to the Deputy CEO or CEO as attempts a few years ago were directed at the CEO. The policy was clear that anything should be reported to the Deputy CEO. The Internal Auditor confirmed that there were not many to report now in the sector. He would share the details of how fraud exposure was assessed with the committee. Two step authentication was already in place for both the CEO and Deputy CEO after attempts to extract money in the past. The Chair confirmed that it would be helpful to look at trends to predict and see what was on the rise to strengthen defences and to ensure that anything was considered, not just a narrow base.</p> <p><b>ACTION – IA to share framework</b></p>
<b>9</b>	<p><b>Risk register</b></p> <p>The register had been updated and was under review by SMT. Amendments would be reported to Corporation. The key issue was the management of the risks identified and plans had to be as resilient as possible. Plans were listed with those responsible for keeping them up to date. Mitigation required was also set out within each risk.</p> <p>A paper would come to the June meeting setting out the 5 risks that were of most concern to the Senior Management team.</p> <p><b>ACTION – Amendments to the risk register to be reported to the Corporation</b>  <b>ACTION – paper on Key risks for June meeting</b></p>
<b>10</b>	<p><b>AOB</b></p> <p>There were no items to report. The Chair thanked everyone for their helpful reports.</p> <p>The internal auditors left the meeting at 6.20pm</p>
<b>11</b>	<p><b>External auditor</b></p> <p>The tender process had concluded and Buzzacott was the preferred firm. Two FE colleges had been given as referees and one was a medium sized college who gave a glowing reference. The same audit partner was involved. The Finance Director had discussed the</p>

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	<p>audit with his opposite number and was reassured. The recommendation was to go with panel. The Deputy CEO confirmed that there was significant partner involvement. In response to questions, it was confirmed that the Finance Director was reassured having spoken to his opposite number. It was difficult to know what the level of challenge would be from the partner but the KPMG partner was leaving. The Deputy CEO confirmed that references said they were cost effective.</p> <p><b>The committee agreed to recommend to the Corporation, the appointment of Buzzacott as External Auditor from 31 July 2021.</b></p> <p>The Chair thanked everyone for their input and for a well-run tendering process.</p> <p><b>Internal audit</b></p> <p>The current internal auditors were appointed in October 2018 for an initial period of 3 years with the possibility of extensions for a period up to two years. The current tenure would end in October 2021, unless extended for a period. The ideal time for a tenure to expire would be 31 July of a year (same as the financial year end). The recommendation from the Executive would be to extend the existing contract to 31 July 2022, with a view to tendering for the internal audit services in January to February 2022, with the appointment to start for 2022/23.</p> <p><b>The committee agreed to extend the contract to 31 July 2022.</b></p>
12	<p><b>Date of Next Meeting</b> The next Audit Committee would be on 15 June 2021</p> <p>The meeting ended at 6.47pm</p>