The Henley College Corporation

The
HENLEY
College

MINUTES of the Meeting of the Audit Committee held on Monday 5 June 2023 at 10.00 via remote participation	
Members Present: Brian Fennelly Dr Tim Lincoln Chris Murray Paul Fagan **In attendance:** Mark Griggs Dakshita Takodra Nick Iglis Jacky Gearey	 Independent Member/Chair Independent Member Independent Member Co-opted Finance & Resource Controller (FRC) for items 2.3, 2.5 and 2.7 TIAA Ltd for item 2.4 Head of IT Director of Governance

	Agenda Items	Action by
	Opening of meeting The meeting opened at 10.03 and the Chair welcomed Paul Fagan as the new co-opted specialist member to his first meeting. The Chair then advised that the report from the internal auditors would be taken directly after 3.2 to allow TIAA to then leave the meeting.	
	Apologies for Absence 1. Jim McCaffney There were no other apologies.	
	Declaration of Interests There were no declarations of interest to those contained on the members register.	
3.1	**Minutes of Previous Meeting** (i) The minutes of the meeting the 13 March 2023	

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	The committee agreed that the minutes of the meeting 13 March 2023 were an accurate record of the meeting held. **Resolved that the Committee agreed that the minutes of the meeting 13 March 2023 were an accurate record of the meeting held.**	
3.2	**Matters Arising from Previous Meetings** **Item 1.2 -** Disaster Recovery Plan (DRP) – FRC's report covered the desktop exercise in May with another to be carried out before the next meeting in November. The Chair of Audit to be invited to next exercise review. Item closed. **Item 1.6** - add additional risk regarding the appropriate representation on key sub committees to the risk register – now on risk register - closed **Item 1.9** - add a new risk under governance regarding use of personal emails for college business – now on risk register - closed **Item 1.10** - the draft Annual Fraud Assessment to be on the summer audit meeting agenda. See item 3.5 – closed. All other matters arising from the previous meeting had been closed and there were no further issues.	**FRC**
3.3(i)	**Notification of any concerns (e.g. Fraud, Whistleblowing)** The FRC confirmed that there were no concerns. **Resolved that there has been no notification of fraud or Whistleblowing concerns within the College**	
3.3(ii)	**External/Internal auditors' assessment and appointment for 2023-2026** The External and Internal auditor assessments had been received from the committee and there was a high level of satisfaction with the work undertaken by both the present external and internal auditors with no adverse comments**.** The FRC advised of the external and internal auditors' appointment for 2023-2026 process and the intention to send out following the CPC framework, the tender invites to 6 external and 6 internal auditors today and with a reply by 16 June 23. The aim is to hold a review week commencing 19 June 23 in order to be able to make a recommendation for the appointment for next academic year to the Board 3 July 23. Of note all prices have	

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	gone up in part due to the increased amount of work required due to the ONS classification. The FRC provided the currently yearly costs for both internal and external auditors and that the proposed fees will increase and have been benchmarked with other heads of finances within the Sixth Form Colleges Association and Association of Colleges (AoC). Reasons for the price increases include cost of living, increased amount of work and availability of staff in the audit field. The committee asked that since the current external auditors have provided their service to the College for many years that the FRC takes a familiarity risk approach especially at Partner level to ascertain if staff have changed and then for an assurance to be given to the committee regarding this should they be re-appointed. The committee did pose the question if there was no expressions of interests from auditors and the FRC said that he would add this to the risk register with mitigations.
	
	Finally the external audit strategy from Buzzacott for 22-23 was presented for information which follows in the main the same format as in previous years.
	
	Resolved that:
	    (i) **verbal update on External/Internal auditors' assessment and appointment for 2023-2026 was received and noted by the committee**
	    (ii) **FRC to take familiarity risk approach with external auditors**
	    (iii) **The FRC to add risk on no expressions of interest from auditors to risk register with mitigations**
	    (iv) **The external audit strategy for 22-23 was received and noted by the committee**
		FRC
		
		FRC

3.4	**Risk Management** Risk Management Group met on 24 May 2023 in line with the planned termly meetings. It was confirmed that approaching the AoC about risk management training would not be appropriate as the College is not a member. FRC advised that he would pursue other training providers. The Risk Register has been updated and now has blue boxed sections to identify areas of change since the last update to aid transparency and focus. However the Head of IT advised of the issue with the single fibre optic cable connecting both campuses which has been damaged and could cause loss of connectivity. The College is currently look at the viability of installing a second cable as a backup. This could be a separate connection with a dynamic route. Having two connections would allow an	

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	additional layer of resilience to the network. Chair asked about costings which the Head of IT would be provided once this has gone out to contracts, however at the moment he was still waiting for further information as this was a complex issue. Head of IT said that he would advise the committee once information received. FRC said that this will be put in as a capital expenditure for 23-24 and the RAG rating will change to amber.
	Finally the FRC confirmed that the format of risk register was going to be reviewed following the recent internal audit on strategic governance with the aim of separating out strategic and operation risks.
	
	Resolved that:
	    (i) **Risk Management report and risk register was received and noted by the committee**
	    (ii) **Head of IT to report back on the costs for providing a second fibre optic connection or similar**
	    (iii) **Fibre Optic connection a capital expenditure for 23-24 - RAG rating to change to amber. FRC to action.**
	    (iv) **FRC to provide a reformatted risk register to separate out strategic and operational risks**
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3.5	**Draft Annual Fraud Assessment** As requested by the committee last summer, the annual fraud assessment was presented. The FRC advised that this is part of the annual audit planning with the College working with the external auditors to assess the potential of fraud and risks of fraud associated to the work of the College. This information is then used by the auditors to plan their audit testing / approach. The College has not encountered any incidences of fraud or fraudulent activity during the financial year 2022/23 at the timing of this report. The Committee has been provided with the Annual Fraud Assessment from 2021/22 as a basis for the 2022/23 draft Annual Fraud Assessment with further work will be required before submission to the auditors. The FRC said that the current Fraud policy will be reviewed at the next meeting with the Committee asking if IT needed to be added. There followed a discussion on the increase of IT in fraud including fraudulent emails, use of AI and the need to ensure that staff are fully aware and trained accordingly. The FRC said that the policy would be fully revised taking on board the points raised and brought to the next meeting for review. The FRC said that it would be useful to identify several updates in the Post-16 Audit Code of Practice	 **FRC** **FRC**

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	especially after the reclassification of the FE sector to central government.
	
	Resolved that:
	    (i) **Draft Annual Fraud Assessment was received and noted by the committee**
	    (ii) **FRC to bring revised Fraud Policy to next meeting**
	    (iii) **FRC to provide a brief synopsis of the recent changes to Post-16 Audit Code of Practice**	

3.6	**Internal Audit Report** TIAA advised that the scope of the review covered the technical, procedural and policy controls in place to prevent the ingress and spread of ransomware in the event of an infection. Reasonable assurance was provided with confirmation that there were no issues with operational effectiveness. The following key strategic findings: • Two-factor authentication was yet to be enforced for students. The Chair asked this was to be actioned. As this had only just been made a requirement in April for Cyber Essentials, the Head of IT advised that this will be done for all students in 23-24 and that a structure was in place and will be made mandatory for everyone. • Training records showed that there were staff yet to complete their mandatory Cyber Security and E-safety training. Head of IT confirmed that all staff and governors be mandated to complete their annual Cyber Security and E-safety training acknowledging that there was always a time lag on this. All Governors to be advised of the need to complete this and for to be raised at next board meeting. • College policy on ransomware needs to be set out in a policy or relevant IT policy document - Head of IT reassured the committee that an Online Safety Policy has been drafted, and this will be reviewed with other ICT Policies. This draft policy will go to SLT before signing off from this committee. TIAA thanked the Head of IT and his staff for all his help in this. Chair asked about the difference between reasonable and substantial reassurance. TIAA explained that there was a three level QA process which covers assurance in order of increasing level of rigor for reviews and	**DoG**

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	audits. What would be appropriate for the College will depend on its size, complexity and risk level of the College. Reasonable assurance is a high but not absolute level of assurance. To have gained substantial reassurance the two-factor authentication would have to have been total embedded in the College.
	
	The Chair thanked TIAA for their report and the SLT for all the work done.
	
	Dakshita Takodra left meeting at 10.20
	
	Resolved that:
	    (i) the Internal audit report on strategic governance was received and noted by the committee
	    (ii) Governors to be reminded to complete cyber training and for this to be raised at the next Board meeting.	

3.7	**Policies for approval** The Conflicts of Interest policy is intended to help ensure that when actual or potential conflicts of interest arise, the College has a process in place under which the affected individual will advise the governing body about all the relevant facts concerning the situation. It creates clear expectations for everyone, including board members, employees, contractors and vendors. The policy also defines key terms to ensure nothing is left to interpretation. The committee recommended that the policy go forward to the Board. for approval **Resolved the Conflicts of Interests Policy was received and approved to be put forward to the Board for approval.**	
3.8	**Health & Safety Report** In the absence of the HSS Manager , the FRC advised the committee on the work that had been carried out this term covering: the fire evacuation and suppression system, asbestos handing, roof and waste pipe repairs. The key issues in the items discussed have been in finding the staff to cover off the fire marshal and first aider roles, however training is taking place to address this. There was further discussion on the frequency of the fire evacuation with the aim to do this at least twice per academic year. The HSS was asked to advise the committee at the next meeting when these drills are expected to take place. Finally the phased introduction	**HSS**

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	of card access doors to main buildings had been very positive which had improved the safeguarding provision around the College. **Resolved that:** **(i)** **the Health& Safety Report was received and noted to the committee** **(ii)** **HSS Manager to advise the committee at the meeting in November of the fire evacuation frequency**	
3.9	**GDPR Update** FRC previously advised that any non-compliance on GDPR breaches due to staff emails was being reinforced with additional training. External support was being provided by TurnITon to get the work done on. Additionally as previously minuted a GDPR working group is to be set up to include a link governor using the toolkit provided by TurnITon. This risk had also been added to the risk register. The Head of IT advised of the 3 GDPR modules for training which were to be completed annually and applied to governors as well as staff. The Chair re-iterated his desire for this to be raised at the next Board meeting and asked for this to be put on the agenda. **Resolved that:** **(i)** **the GDPR update was received and noted by the committee** **(ii)** **Director of Governance to add GDPR training (Governors) on next board agenda**	**DoG**
3.10	**Review and approval of:** The annual cycle of business to be amended: under as required addition of • Summer Term: addition of review of Fraud and Whistleblowing policies • Review and approval of relevant policies as required e.g. Conflicts of Interest The Terms of Reference has one minor change under membership i.e. to include at least one person who need not be a Corporation member but a co-opted member who has relevant financial/audit experience. **Resolved that the Cycle of Business and Terms of Reference were received and approved by the committee**	**DoG**

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	and for the Terms of Reference to be put forward to the Board for approval.	
3.11	**Committee self-evaluation** The Director of Governance asked that the form be completed and returned to her by 27 June. **Resolved that the committee self-evaluation form was received and for the committee members to complete and return to Director of Governance by 27 June 23.**	**DoG**
3.12	**Any Other Business** The Committee raised the issue of staffing resources within the College based on the increasing requirements to provide oversight of the financial reporting process, the audit process, the College's system of internal controls and compliance with laws and regulations. The risk might be not being able to fulfil all of the requirements laid upon the College staff and governors. FRC said that this would be added to the risk register. As Dr Tim Lincoln was stepping down from the Board and therefore the committee at the end of the academic year, the Chair wanted to thank him for all his work and support over the past 4 years which had been invaluable. **Resolved that FRC to add issue of staff resources for audit compliance to risk register** There was no other business.	**FRC**
3.13	**Items to be taken forward to next Corporation Meeting:** (i) Risk register (ii) Conflicts of Interests Policy (iii) Committee Terms of Reference (iv) GDPR training of governors	**DoG**
3.10	**Date and Time of Next Meeting:** 1. 6 November 2023	
	Meeting Closure The meeting closed at 11.40	

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