

## The Henley College Corporation

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<b>MINUTES of the Meeting of the Audit Committee held on Monday 22 June 2020 at 10.00 via remote participation</b>		
<b>Members Present:</b> Mohammed Khaliel Dr Tim Lincoln Tony Sanderson  <b>In attendance:</b> Satwant Deol Ashok Patel Jacky Gearey	Independent Member Independent Member Co-opted  Principal Director of Finance (DoF) Clerk	
Agenda Item	Minutes	Action by
3.1	<b>Opening of meeting</b> The meeting opened at 10.28 due issues with remote participation and in the Chair's absence, Dr Tim Lincoln chaired the meeting.	
3.2	<b>Apologies for Absence</b> 1. Brian Fennelly	
3.3	<b>Declaration of Interests</b> There were no declarations of interest.	
3.4	<b>Minutes of Previous Meeting</b> The minutes of the meeting 14 April 2020 were approved as an accurate record of the meeting and signed by the Chair.  <b>Resolved that: the Committee agreed that the Minutes were an accurate record of the meeting of 14 April 2020 and to be signed by the Chair.</b>	
3.5	<b>Matters Arising from Previous Meetings</b>  There were no matters arising.	
3.6	<b>External Audit Strategy</b> The FD presented the external audit strategy from Buzzacott and said that the proposed work plan has been discussed and will cover the following area: financial statements, regularity assurance and teachers' pensions scheme audit. The audit of the teachers' pension will test the valuations which are in line with the sector. Although the plan will follow the same format as in previous years, it will include extra activity due to the nervousness of funders because of the impact of Covid-19 and it would be this issue which would be highlighted under "going concern". The FD explained that the ESFA was looking for more reassurance on this to ensure provisions are covered. Associated with this will be the ongoing insurance claims and GDPR issues (IT virus attack) and the auditors will seek reassurance that the college has recovered and that there are plans on place to address this. The period of consideration of the College's going concern status will be at least 12 months from the date of approval of the financial statements. The FD also advised the committee that there will be an additional return to the ESFA in July as a financial assessment based on Covid19.  The committee asked about the pensions audit and whether it was sector wide, FD confirmed that it was and that the extra liability covered the 4% for support staff.	

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	<p>Committee asked about the financial ratios and the FD said that they had not been advised on this but that as Henley has no debit there is no issue.</p> <p>Committee asked about the going concern namely to what extent has Covid 19 affected the College? The FD confirmed that there had been a loss of rental income for facilities and the refund to parents of bus travel costs, however conversely the estates costs have all been significantly reduced plus there was no loss suffered regarding apprenticeships. Chair asked if there are any changes in the way of auditing the College in light of this. FD said no, however the College may be chosen for a funding audit as it has not had one for some time.</p> <p>There followed some discussion on IT with the FD addressing the operational questions raised. The committee asked if the auditors would want to qualify the accounts because of the IT virus attack. FD said that the thought was that there might be some recommendations from this.</p> <p>One committee member expressed concern over the level of protection that the College has and the lessons learnt and the FD assured the committee that this was in hand with the current temporary protection and that the recovery process was in hand.</p> <p><b>Resolved that the External Audit Strategy Plan was received by the committee</b></p>	
3.7	<p><b>Internal Audit Report</b> The report was taken as read.</p> <p>TIAA had carried out a HR audit the scope of which was to review the following: arrangements for recruitment; inductions; staff guidance and training; maintaining job descriptions and person specifications; appraisals; disciplinary sickness and leave monitoring and exit meetings. The auditor said that the testing had been completed and that substantial assurance had been given and some minor recommendations had been made.</p> <p>Committee said that there were no urgent actions, however, to be noted that this audit had taken place pre Covid-19. The FD confirmed that the processes were now being carried out online and the change now was in the way people were working and that this will not have impact on the aspects that were tested. The Chair asked about line management e.g staff well-being and support and how it may be monitored? Principal said that there weekly staff meetings to cover this together with developing online staff training. Additionally, a recent staff survey had been sent out with positive feedback. The committee appreciated that there were additional pressures placed on staff and students because of the pandemic and asked what the implications would be for the audit and whether this need to be repeated post Covid. TIAA said that it would be auditing key control processes which already formed part of the first line of control. The FD confirmed that should there be any key changes, TIAA would be informed however it was anticipated this this would not be the case.</p> <p><b>Resolved that the Internal Audit Report was received by the committee</b></p>	
3.8	<p><b>Internal Audit Plan for 20/21</b> The Audit Committee had already approved a 3 year strategy for internal audit and 2019/20 was the first year of that plan. The FD said that the College has good internal control systems and that previous internal and external audit outcomes have confirmed this. The outstanding audit currently is GDPR and would be completed shortly.</p> <p>The recommendation was for the following:</p> <ol style="list-style-type: none"> <li>1. Performance management</li> <li>2. Safeguarding</li> </ol>	

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	<p>3. ICT Cyber Crime – to be brought forward because of the recent issues – 5 days to allocated initially although there was a lengthy discussion about the number of days to be taken to undertake this audit.</p> <p>TIAA confirmed that there would be a high level of review of key controls to provide the level of reassurance required and that if more time is required then they will inform the College. FD advised the committee to keep its options open and perhaps have an overlay with an IT specialist. Principal said that she would be happy with more days so that governors can have this reassurance. TIAA confirmed that the audit will be done by ICT specialist auditors.</p> <p>The Committee then further asked if 21 days in total was adequate for the internal audits. FD confirmed that 21 days is the sector norm. In addition, the College did not have any major concerns and only has a couple of funding streams, therefore it was not overly complicated to audit but this was a committee decision. Accordingly, the committee asked TIAA for comment who advised that they would revisit the plan and the scoping of the IT would also be considered.</p> <p><b>Resolved that:</b></p> <p>(i) <b>The report on the internal audit plan for 20/21 was received by the committee</b></p>	
3.9	<p><b>Risk Management</b>  <b>SLT Risk Management Group minutes</b> were for noting.</p> <p><b>Risk Register – Strategic Level</b>  FD confirmed that the risk profile of the register had not increased from the previous reporting. However the FD advised that the risk register had been segmented into various areas and leads within these areas. The SLT had worked through each risk and in summary the following new risks had been added, which had been considered as amber and were discussed with the committee:</p> <ul style="list-style-type: none"> <li>• two new risks in the curriculum section - staff working offsite and student engagement both of which were being mitigated.</li> <li>• one in HR - change in union leadership.</li> </ul> <p>In addition, there had been two new risks identified against pandemic and one against IT virus all of which were rated as red.</p> <ol style="list-style-type: none"> <li>1. Pandemic – college site is closed as a result and the recruitment of students declines. The FD said that the College was developing various strategies to mitigate the risks ensuring robustness and would bring in the right people to do the risk assessment to provide the board with assurance.</li> <li>2. IT virus – improved anti-viral defences with more layers of control plus additional staff training</li> </ol> <p>The only other red rated risks were those covering safeguarding and capital projects because of the constant potential for something to happen and the possible severity of their respective impact. FD confirmed that the mitigation and scoring are sufficient and adequate.</p> <p>FD advised the committee that the recruitment of numbers was very healthy before lockdown but that it was difficult to say exactly what will happen in September. The College is engaging with prospective applicants but performance against target data could not currently be provided. FD further confirmed that the funding for 20/21 and 21/22 was protected. Committee asked if the college was doing everything it could and capitalising on the attraction of good students – Principal confirmed that the College was using a variety of social media together with online open days with Zoom course specific meetings,</p>	

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	<p>all aimed at keeping the prospective students engaged. Principal said the biggest concern was giving assurance to parents and students around transport which was outside the college's control. However, there was a big appetite for change with online learning and that this was an opportunity but the challenge was for the college to be able to support this online delivery. Chair asked about amalgamating with other organisations to recruit the specialist skills to do this and both Principal and FD said that this was not required at the moment.</p> <p><b>Resolved that:</b></p> <ul style="list-style-type: none"> <li>(i) <b>The SLT Risk Management Group minutes were received by the committee</b></li> <li>(ii) <b>The Risk Register was received by the committee</b></li> </ul>	
3.10	<p><b>GDPR Update</b> The verbal update from the DoF confirmed that:</p> <ul style="list-style-type: none"> <li>(i) <b>Freedom of Information Requests</b> –There had been no freedom of information requests nor any data subject access requests over this academic year 2019-2020 so far.</li> </ul> <p><b>Resolved that:</b></p> <ul style="list-style-type: none"> <li>(i) <b>The GDPR Update was received by the committee</b></li> </ul>	
3.11	<p><b>Review and approval of:</b></p> <ul style="list-style-type: none"> <li>(i) Standing Agenda – no changes</li> <li>(ii) Terms of Reference – a change under election of chair where the following to be removed "Elected by members of the Committee and advised to the Corporation" and replaced with "To be appointed by the Board"</li> </ul> <p><b>Resolved that</b></p> <ul style="list-style-type: none"> <li>(i) <b>the standing Agenda and Terms of Reference were received by the committee</b></li> <li>(ii) <b>The terms of reference were reviewed with the proposed amendment to be put forward to the Board for approval</b></li> </ul>	
3.12	<p><b>Committee self-evaluation</b> The Clerk explained the rationale for the self-evaluation and asked for all replies to be sent to her by 30 June 20. These replies would form part of the board self-assessment. The Chair asked that all committee members complete the questionnaire honestly.</p> <p><b>Resolved that:</b></p> <ul style="list-style-type: none"> <li>(i) <b>committee self-evaluation was received by the committee</b></li> <li>(ii) <b>all committee members to complete the self-evaluation and return to Clerk by 30 June 2020.</b></li> </ul>	
3.13	<p><b>Any Other Business</b> The committee members asked for an expression of thanks to be recorded to Dr Tim Lincoln for stepping in at the last moment as Chair of the meeting. There was no other business.</p>	
3.14	<p><b>Items to be taken forward to next Corporation Meeting:</b></p> <ul style="list-style-type: none"> <li>(i) Terms of Reference</li> </ul>	Clerk
3.15	<p><b>Date and Time of Next Meeting</b></p> <ul style="list-style-type: none"> <li>(i) Scheduled meeting is on 9 November 2020 at 10.00</li> </ul> <p>The committee did express a desire for the meetings to start at a later time in the morning or early afternoon and Clerk to review this.</p> <p><b>Resolved that Clerk to look at changing the start time of future meetings.</b></p>	



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	<p><b>Meeting Closure</b> The meeting closed at 12.05</p>	
	<p>MINUTES of the meeting held on <b>Monday 22 June 2020</b> were agreed and accepted as a true and accurate record and signed by the Chair</p> <p>..... on .....</p>	