



**AUDIT COMMITTEE
MINUTES OF THE MEETING HELD 10 JUNE 2019**

Present: Mr Stephen Hewes (Chair)
Mr Gerard Weide

In Attendance: Ms Kim Saw - Director of Finance
Mr Jon Allen - Clerk
Ms Zoe Longstaff-Tyrell - RSM
Mr Sagar Patel - Risk Champion
Mr Chris Whelan - Chief Executive, Reigate LA

The meeting commenced at 1700.

WELCOME, APOLOGIES, DECLARATIONS OF INTEREST & ANNOUNCEMENTS

1 There were no apologies. The Clerk confirmed the meeting was quorate.

DECLARATION OF INTERESTS

2. There were no declared interests against any of the agenda items.

MINUTES

3. The minutes of the meeting held 06 March 2019 were agreed as an accurate record of the meeting.

SUMMARY ACTION LIST

4. The '*Summary Action List*' provided updates on the following action points:

MIN REF	ACTION POINT FROM THE MINUTES OF THE LAST MEETING	UPDATE FOR MEETING
23	It was AGREED to make available a process/policy to follow in the event of any data breach by the College.	Agenda item at this meeting
35	It was confirmed that meetings are taking place next week with some other colleges in the S7 group to provide peer assessment on a range of key areas and to make available to Governors the outcomes of the peer assessment as a source of assurance from third parties. It was AGREED to receive a progress update arising from the meetings that are scheduled to take place next week.	Agenda item at this meeting
47	The review of the Risk Register. A discussion took place on whether the Risk Register should include a residual score after taking into consideration the actions to be taken to mitigate against the risk. It was AGREED to keep this under review for further discussion.	To keep under review.
	Trust Board Meeting 02 April 2019 Trustees were asked to give consideration to starting future meetings at an earlier start time. It was AGREED for all Trust meetings to commence at 17.30 with immediate effect.	Actioned

5. It was **AGREED** to receive at each future meeting a progress report on all outstanding audit recommendations made in prior years. This would assist the Committee when considering its annual opinion to the Trust Board.

FINANCIAL STATEMENT AND REGULARITY AUDIT PLAN

6. The audit plan from the external auditors for the audit of the Financial Statement and Regularity Audit for the year-ended 31 July 2019 was received for review and approval.

7. It was **RESOLVED** to approve the Financial Audit Plan for the year-ended 31 July 2019.

DATA BREACH POLICY

8. It was agreed at the last meeting to make available a process/policy to follow in the event of any data breach by the College. It was reported that the current College Data Protection Policy has been amended, with paragraph 8 inserted dealing with the process to be followed in the event of any personal data breach.

9. The Committee agreed that the required action point has been addressed with the amendment to the Data Protection Policy.

INTERNAL AUDIT REPORTS

(i) Cyber-Security Report

10. An audit was undertaken by an external organisation with appropriate expertise on the business and security risks facing the College. The report provided actionable intelligence around the applications, URL traffic, types of content, and threats traversing the network, including recommendations that can be employed to reduce the organisation's overall risk exposure.

11. A monitoring device was added to the network for one week to audit the College's cyber-security audit. The highest risk identified attributable to an old server created 10 years ago. The server hosts various web applications developed by the College's MIS Department including the old Portal. A new server was created in February 2019 but only the Portal has been migrated across to date. The MIS Department is in the process of completing the full migration from the old server to the new server to enable the old server to be closed down. Once closed down, the risk identified would be addressed.

12. Once the migration from the old server to the new server has taken place, the Network Manager will verify in September that the cyber security point has been actioned.

(ii) Peer Review of Outcome Data

13. The last meeting discussed possible approaches for the review of student success rates that are quoted by the Executive at Trust Board meetings in order to seek some form of external validation and assurance of the data. This area was subject to audit by the Internal Audit Service in the prior year, however, it was suggested by the Committee that an independent review by staff from another College within the S7 Group, with a strong educational and data background, possibly on a reciprocal basis, would be of more value. Since the last meeting a peer assessment on Reigate's achievement data was undertaken by the Principal of Brighton Hove and Sussex Sixth Form College, a member of the S7 Group.

14. The review covered A Level programmes, GCSE English and Maths, and Vocational Qualifications.

15. The review concluded with the following summary:

'Although Ofsted do not publish any guidance as to what level of outcome data constitutes an 'Outstanding' grade, the data suggests a high level of assurance that Reigate College would achieve an Outstanding judgement for Outcomes for Learners'.

16. The Audit Committee welcomed this external validation and assurance on Reigate's achievement data. It was noted that this report, including the in-scope data, was presented at the recent Local Governing Body meeting.

(iii) Scope of Internal Audit Programme 2019-20

17. It was agreed to defer this item to the Autumn term meeting.

BOARD ASSURANCE FRAMEWORK

18. Under the newly introduced Board Assurance Framework (BAF), each Committee is asked to conduct at the end of their meetings an assessment on their level of assurance agreed against each report received (including briefings and verbal updates) and for the assessment to be reported to the Audit Committee and Trust Board (Green = high assurance - no additional actions or monitoring are recommended at this point; Amber = medium assurance – a further report is likely to be required at the next meeting; Red = low assurance - additional actions are likely to be required and reported at the next meeting).

19. The following assessments were agreed on reports considered at this meeting:

Agenda item number	Paper number	Subject	Report prepared by	Attached papers or report(s)	Board Assurance (yes/no)	RAG rating	Any Committee Recommendation(s)
6	3	Data Breach Policy	SEW	Y	Y	GREEN	Issued previously raised by the Committee has been closed off with the policy amendment
7	4a (1) and (2)	Internal Audit – Cyber Security audit report	WKW	Y	Y	GREEN	The issue with the server has been addressed with the decision to close down the server
7	4b	Peer review of outcome data	CPW	Y	Y	GREEN	Positive review - full assurance
8	5	External Audit Plan	RSM	Y	Y	GREEN	No issues - full assurance

20. The Clerk reported on the BAF assessments conducted at the recent Local Governing Body meeting. Governors felt that there should be included within each paper an explanation of the type and rating of the assurance provided, any risks arising, and the decision being asked of Governors. It was suggested that the simple listing of assurances for each agenda item for consideration at the end of the meeting gave insufficient explanation, and that more information on assurances and risks should be made available on each report and this could be done in a short opening sentence to be used in all reports. It was agreed to raise this with the Audit Committee.

21. Following discussion, the Committee agreed that further information was required in each report to enable Governors/Trustees to form an assurance assessment. It was **AGREED** that:

- all future board and committee reports should contain brief explanation of the purpose of the report, its link to Corporate Objective or BAF risk, along with reference to any legal or compliance regulations.
- The assessments should continue to be made at the end of each meeting, at which point a broader view of assurances and any newly emerging risks may be considered.

22. The Committee **AGREED** the Risk Register should be a standing agenda item at all meetings. The Clerk confirmed the following framework. At the November meeting to receive the Risk Management Policy, the Board Assurance Framework and the Risk Register for the academic year ahead. At the spring and summer term meetings, to

review the Risk Register as well receiving the Board Assurance assessments from the Committees.

REVIEW OF PERFORMANCE OF AUDITORS AND RE-APPOINTMENT RECOMMENDATIONS

23. The Committee conducted the annual review of the performance of both the internal audit service and external auditors. The review was an informal review as has been the case over the last 2 years, with any identified issues or concern confirmed in a letter to the audit service. No issues of concern were raised. It was **RESOLVED** to ask the Members of the Trust at the Members meeting on 4 July 2019 to approve the appointment of RSM to be the College's external audit service and MacIntyre Hudson to be the College's internal audit service for the academic year 2019-20.

24. In discussion it was **AGREED** to formalise the annual review of the auditors within an agreed framework and for the Clerk to draft such a framework for the Committee to review and approve at its next meeting.

ANY OTHER BUSINESS

25. There was no other business.

The meeting closed at 18.00

Signed: _____ Date: _____
(Chair)

MIN REF	ACTION POINT	WHO
17	Internal Audit Programme 2019-20 to be an agenda item at the autumn meeting of the Committee	KS
21	The Committee agreed that further information was required in each report to enable Governors/trustees to form an assurance assessment. It was AGREED to capture the purpose and linkage of content to the BAF for assurance purposes in all future Board and committee reports.	CW
22	Trustees AGREED the Risk Register should be a standing agenda item at all meetings. The Clerk confirmed the following framework. At the November meeting to receive the Risk Management Policy, the Board Assurance Framework and the Risk Register for the academic year ahead. At the spring and summer term meetings, to review the Risk Register as well receiving the Board Assurance assessments from the Committees.	CW/JA
23	Members of the Trust at the Members meeting on 4 July 2019 to approve the appointment of RSM to be the College's external audit service and MacIntyre Hudson to be the College's internal audit service for the academic year 2019-20.	Members
24	To formalise the annual review of the auditors within an agreed framework and for the Clerk to draft such a framework for the Committee to review and approve.	JA