

Kirklees College Corporation

AUDIT COMMITTEE**Minutes of a meeting held on 4 March 2019 at 3.30pm at the Huddersfield Centre**

Present:	Dr A Conn Mr M Pearmain Dr A Williams	Independent member Co-opted member Independent member (Chair)
Apologies:	Mr D Keeton	Independent member
Attendance:	3/4 = 75%	[KPI 80%] Quorum: 3
In attendance:	Mr D Winward Ms C Dean Ms M Gilluley Ms R Meara Mr A Riley	Clerk to the Corporation Kirklees Council IAS Principal and Chief Executive Director of Finance Director of MIS, IT and Risk
Apologies:	Ms M Brooke Mr M Dearnley Ms D Watson Ms K Doherty	Vice Principal - Corporate Services Kirklees Council IAS Grant Thornton LLP Grant Thornton LLP

The Chair welcomed Dr Conn to his first meeting of the Committee.

27. Apologies for absence

Apologies were received as listed above.

28. Declarations of interest

There were no declarations of interest.

29. Minutes of the previous meeting

The minutes of the meeting held on 3 December 2018 were confirmed as an accurate record.

30. Matters arising not elsewhere on the agenda

There were no matters arising and no outstanding actions.

31. Internal Audit Reports

Ms Dean presented the following reports:

Progress Report

Since the previous meeting, the review of Data Security, specifically compliance with General Data Protection Regulations (GDPR), had been completed and the report was being presented at this meeting. The audit briefs for the reviews of Operational Budgets & Monitoring and Performance Management had been agreed and fieldwork had commenced.

The Chair questioned the proposals for the reserve audit which had been provided for within the 2018/19 audit plan. It was reported that this was yet to be considered by the senior leadership team and that a proposal would be sent to members for consideration by email so that the review could be completed in time for the July 2019 meeting of the Committee.

ACTION: SLT to consider a recommendation for the reserve audit.

Data Security / GDPR Readiness

The purpose of this review was to provide assurance that the College had taken suitable measures to comply with relevant legislation in place to protect the security of data, in particular GDPR.

The audit concluded that considerable effort and good progress had been made to become GDPR compliant. However, the project would benefit from a refresh to ensure that outstanding work was progressed to conclusion and 4 recommendations were made, 3 of which were classed as 'Significant' and one as 'Merits Attention'. An overall 'Adequate Assurance' level was assigned.

Recommendations related to the completion of staff training, monitoring the progress of project work, revisions to policies and updates to privacy notices. All had been agreed by management and an actions had prepared in response.

In discussion:

- members noted that whilst the College had made GDPR training mandatory for all staff, 390 of 970 members of staff had not yet completed it. Members questioned how the failure to complete mandatory training was addressed within the College. It was reported that staff training was a specific heading within the Performance Evaluation and Enhancement Review (PEER) process and the reviews included consideration of the extent of training completed. The PEER process was subject to a forthcoming audit review and this aspect would be covered as part that review;
- the Principal reported that the GDPR training was an on-line module and that whilst managers and staff had been made aware that completion was mandatory, it needed to be prioritised and followed up. As well as being covered by the PEER process, completion of training / CPD was monitored as part of the PDR (appraisal) process. Specific days assigned for staff training often resulted in an improvement in training take up. The names of staff who had completed or failed to complete were sent to managers for appropriate action to be taken;
- members noted the importance for managers to ensure mandatory training was completed, otherwise any failure (in this case a data breach) would reflect on them, as well as the individuals involved in any such failure;
- it was reported that an all-staff briefing issued earlier in the day, had included a reminder on the need to complete the GDPR module. In addition, specific groups had received dedicated awareness sessions on GDPR and further such sessions were to be held by July 2019;
- questioned the data retention rules used by the College. Mr Riley reported that the JISC retention guidance was followed within the College. Different retention periods applied to different documents / data and the aim was to achieve simplification as part of the policy revisions;
- noted that the Director of MIS, IT and Risk was the nominated Data Protection Officer (DPO) for the College and questioned whether there was a possible conflict between those roles. Mr Riley responded that other managers 'owned' the data (e.g. Heads of Function of HR, Finance, Student records). As DPO, Mr Riley was not the 'owner' of the data and therefore considered that he could remain impartial. He did not have the ability to update system information.

RESOLVED: to receive the reports.

32. Rolling Audit Action Review (RAAR)

Mr Riley presented a summary of the current position on the implementation of audit recommendations:

- Of 34 internal audit recommendations, 20 (59%) were complete, 9 (26%) were in progress and 5 (15%) were overdue (against original target completion dates);
- There were no external audit recommendations to report.

There were 2 'Significant' internal audit recommendations overdue. One of these related to the Health & Safety Work placements review. A revised completion date of July 2019 had been agreed, as the original report was well before the 2018 management restructure and this recommendation was to be taken forward by the Director of Business Development. The other recommendation related to the Major Incident Planning review. A revised completion date of May 2019 had been set for the introduction of the risk assessment process. This followed a recent training and awareness session for the senior leadership team.

Progress on the 'Fundamental' recommendation on Major Incident Planning (MIP) had been reported to the December meeting of the Corporation and an awareness session for governors was to be provided shortly.

Ms Dean reported that the follow-up audit review would report on the progress made on the recommendations from the MIP review.

Members noted that there were 2 'Merits Attention' recommendations from the VAT Review of 2015 that remained outstanding. The Director of Finance described the recommendations and reported that work on these was still underway. They were rated as the lowest priority audit recommendations and they required a large resource commitment to progress them, nevertheless, the College did wish to proceed with the recommendations and would do so when time permitted.

RESOLVED: to receive the report.

33. Fraud Register

The Committee received the latest version of the Fraud Register. There were no entries.

RESOLVED: to receive the report.

34. Review of Financial Regulations

The Director of Finance presented an updated version of the College's Financial Regulations for review by the Committee. She highlighted the changes as:

- The inclusion of updated Terms of Reference of Corporation Committees;
- Changes to role definitions following changes to the management structure;
- Changes to the names of funding agencies;
- Process changes associated with the new finance system and ePay facilities;
- Writing in provision for procurement practice as the Tenet arrangement progresses;
- Making the requirement to seek advice of the IT team on the purchase of IT equipment explicit;
- Changes to the treatment of suppliers claiming self-employed status;
- The EU OJEU threshold in Appendix J revised to the current active level.

In discussion, members:

- questioned how staff would be made aware of the relevant changes. It was reported that a staff briefing would be made, once the changes had been approved by the Corporation, and this would include discussion at team meetings. In response to a member's suggestion, it was agreed that consideration would be given on how to obtain confirmation, acknowledgement and sign-off by relevant staff in order to provide assurance of their full understanding;

- noted the change regarding IT purchases and questioned why this was required. It was reported that the finance team were involved at all stages of major expenditure and the IT team were consulted in the vast majority of IT purchases. The change was being made to tighten those controls.

RESOLVED: to recommend to the Corporation approval of the revised Financial Regulations.

Ms Dean, Kirklees IAS, left the meeting at this point, 4.45pm.

35. Review of Audit Service

The Committee received completed review questionnaires in respect of the Internal Audit Service (IAS) and Financial Statements (FS) Auditors.

These had been completed by the Clerk, taking into account the views of Ms Meara, Mr Riley and himself in respect of the IAS; and Ms Meara in respect of the FS Auditors.

Members agreed with the highly-rated levels of satisfaction. The Chair noted that it was important that recommendations were proportionate to the issues under review and that they took into account the context in which the College operated.

RESOLVED: to receive the report.

36. Appointment of Financial Statements Auditors

RESOLVED: to declare Minute 36 as confidential under Clause 17(2)(d) of the Instrument of Government.

37. Publication of papers and Declaration of Confidentiality

RESOLVED: that the FS Audit tender papers were to be declared confidential under Clause 17(2)(d) of the Instrument of Government.

38. Date of next meeting

Monday 1 July 2019, 3.30pm

The meeting closed at 5.15pm.