

## LEEDS COLLEGE OF BUILDING

### AUDIT COMMITTEE

Minutes of the meeting held on Tuesday 22 March 2022 at 2.00pm, Meeting Room 1, North Street / Microsoft Teams.

#### PRESENT:

Mark Roper (Chair) (MR)  
Elaine Armitage (EA)  
Rachel Lindley (RL) (*attended via Microsoft Teams*)  
Matthew Shields (MSh)  
Sarah Wilson (SW) (*attended via Microsoft Teams*)

#### IN ATTENDANCE:

David Pullein (DP) – Vice Principal, Finance & Resources (*following Item 1*)  
Nikki Davis (ND) – Vice Principal, Teaching, Learning & Quality (*following Item 1*)  
Jonathan Creed (JC) – ICCA  
Michael Norton (MN) – IT Manager (Item 7) (*attended via Microsoft Teams*)  
Karen Rolinson (KR) – Governance Adviser & Clerk to the Corporation

**ACTION  
BY AND  
TARGET  
DATE**

#### 1. OPEN DISCUSSION BETWEEN AUDITORS AND THE AUDIT COMMITTEE

JC stated that he had nothing particularly to report other than he was working through the Audit Plan and there were no issues to draw to the Committee's attention. He said that there was one other report, on HR performance management, and that should be concluded imminently. He felt everything was progressing as expected and the right areas were being reviewed.

#### 2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Debbie Forsythe-Conroy and Richard Lewis (RSM).

#### 3. DETERMINATION OF ATTENDEES/OBSERVERS

The Audit Committee agreed attendees / observers at the meeting as per the attendance list above.

#### 4. DECLARATION OF INTEREST

There were no declarations of interest.

#### 5. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 14 December 2021 were approved as a true and accurate record.

#### 6. MATTERS ARISING

##### 6.1 Ref Min 7.4 (16 November 2021)

A review of ALS support and claims will be carried out.

##### 6.2 Ref Min 15 (16 November 2021)

Actioned; covered at the Governors' Development Day.

**6. MATTERS ARISING** (continued)

**6.3 Ref Min 8**

In progress – succession planning currently being considered by the Executive Team.

**7. UPDATE ON CYBER SECURITY**

MN joined the meeting via Microsoft Teams to give members an update on Cyber security. *(The power point presentation on Cyber Security is held in the minutes file on the Governors' Portal).* MN covered the following: potential threats; which threats should we worry about; system weaknesses; governance & controls; cyber essentials; upcoming controls; things to consider; capacity & resource; incident plan and key takeaways.

MR thanked MN for his presentation and asked JC for his opinion. JC stated that the presentation was very comprehensive and made more sense than other presentations he had seen. SW noted that MN stated it was a 'when' we would be attacked rather than 'if' and asked if there was any reason that Russia would target HE/ FE and if there is a particular risk. In addition, she queried the IT Team capacity. MN responded that he was currently looking to recruit two vacant posts but this had been slightly delayed due to restructuring the team and he hoped to obtain skills at a higher level. He said that he didn't feel that the College was a high value target, although felt that universities would be. He said if there is some value in attacking, if we are easy to attack, then they will do so and it would be reported.

RL thanked MN for a clear presentation. She asked whether attendance at training was monitored and followed up. MN replied that the College uses the NCSC module for education staff and this is rolled out via HR and the Smartlog system which monitors completion of training. In addition, anyone failing the phishing test also has to do immediate follow up training. RL asked whether MN had seen those failing the test reducing. He responded that he had seen this, however, the latest test issued today was a tricky one and some staff were being caught out which would mean more training for them. RL asked about students receiving phishing training. MN replied that this was currently being looked into, however, because of the system segmentation the risk was not as great with students.

KR asked MN to explain the situation regarding Governors' access to College systems. MN explained that due to cyber risks of using personal accounts, other colleges are starting to use licences for Governors to access College accounts and this is something that is being considered, particularly as the portal (Blackboard) may no longer be used by the College in future. MN reported that this could mean Governors having College surface tablets to access College systems and this was currently being looked at by ND and KR. MN said that Governors would also be subject to phishing tests and training.

**ND/KR  
July 2022**

**The Audit Committee thanked MR and noted his clear and comprehensive presentation on cyber security.**

**8. UPDATE ON OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS**

DP presented Item 8 (Outstanding Internal Audit Recommendations). He said that nearly all the actions had been closed with the exception of three (two were not due to be completed until July and one in IT had been extended following a request by them). DP also informed the Committee that there was currently one report outstanding relating to HR and this would be available very soon. JC confirmed that the plan included a follow up.

**The Audit Committee noted the outstanding internal audit recommendations.**

**9. INTERNAL AUDIT REPORT  
Office for Students Registration**

JC presented the Office for Students Registration Report and stated that his opinion was a substantial level of assurance with only one low level recommendation. He said that the backdrop to the audit is in Section 2 of the Report which sets out each of the conditions that the College has to comply with. JC informed Governors that OfS are undertaking very detailed funding audits and this is an important piece of work. There is one recommendation from the audit relating to self-assessment which would demonstrate the College's compliance with the OfS registration process. JC confirmed that this would be expected annually at year end.

**The Audit Committee approved the Internal Audit Report: Office for Students Registration.**

**10. EMERGING RISKS (HORIZON SCANNING)**

MSh asked whether the College had any unique supplies where difficulty was being experienced. DP responded that he wasn't aware of any at the moment, however, across the College there were supply issues. EA confirmed that she was experiencing supply issues in her organisation. JC stated that he understood that 80% of the clay used in ceramic tiles came from Ukraine. RL asked whether there were any welfare issues within College related to Ukraine.

DP informed Governors that the cost pressures were ridiculous with increases in fuel costs, delivery costs, software licences, national insurance rises, staff's own cost of living difficulties. He said that there would be issues for the next financial year with an increase in costs but a reduction in funding is due (because of the lost student numbers experienced this year feeding through to next). JC noted that there would be funding difficulties across many colleges next year. DP confirmed that the financial issues relating to next year would be discussed at the next meeting. ND confirmed that only one College student came from Ukraine and was being supported.

**DP  
July 2022**

**The Audit Committee discussed and noted the emerging risks.**

## **11. RISK MANAGEMENT (BUSINESS CONTINUITY) MID-YEAR REPORT**

DP presented an overview of the Risk Management Termly Report. He said that there had been some changes and these were mostly upwards where the likelihood had increased. DP informed Governors that the Business Continuity Team were looking at reducing the number of risks by combining them and making it a tighter process. DP felt that progress was being made and hoped to conclude this particular process this financial year.

MR asked JC whether risk management was audited regularly. JC replied that it was done every 2/3 years in terms of the audit plan but links are made to risks throughout the plan. RL agreed that linking risks would be valuable and that it was much clearer. She thanked DP for doing the work on target risks. She felt that the target score for some risks was high and asked whether this is because it is felt the risk can't be controlled or because of risk appetite. DP responded that it's not an ideal scenario and not where the College wants to be, however, it's a realistic view of where we can be at the moment. RL stated that Governors needed to be comfortable with a high-risk appetite. She thought it would be really helpful as part of business / budget planning to consider where we are taking more risks. DP confirmed that this would be a larger part of his written commentary and he would give more detail. RL stated that she felt the process was really coming on and was helping decision making. MR noted that recruitment was increasingly difficult across FE.

**The Audit Committee noted the Risk Management (Business Continuity) Mid-Year Report.**

## **12. FRAUD AND WHISTLEBLOWING REGISTER**

ND provided the background to the whistleblowing case and confirmed that the issue had been reported to the LADO (Local Authority Designated Officer) in relation to the safeguarding concerns. The LADO felt that it met their threshold and the incident had been reported to the Police. The College had also reported the issue to the DBS (Disclosure & Barring Service) but it was unlikely to meet their threshold. MR responded that it was positive that management had dealt with the incident quickly and professionally. EA asked whether the individual that reported the incident needed support. ND replied that they were being supported and it was very brave to do what they did.

**The Audit Committee noted the incident reported under the Whistleblowing Procedure.**

### **DATE OF NEXT MEETING**

The next meeting is scheduled for Tuesday 12 July 2022 at 2.00pm, North Street, Meeting Room 1.