



Unconfirmed Minutes

Present: Mr A Nelson, Ms H Haigh and Mr N Uppal (attendance 75%)

In attendance: Mr A Shaw, Ms J Pryce, Mr A McCulloch and Ms Z Shackleton for agenda item 3 and 4 only.

Clerk: Mrs C Coupland

1. Apologies for Absence/ Declaration of Interest

Apologies were received from Mr K Webb

There were no declarations of interest.

Ms Shackleton was welcomed to the meeting.

2. Minutes from Meeting held on 13th June 2017

Resolved:

- That these be accepted as a correct record.

3. Matters arising

i) Statement of Risk appetite

It was recognised by members at the last Committee meeting that there was a need for the Corporation to articulate risk appetite more clearly. The Clerk was tasked with drafting a risk appetite statement for consideration at this meeting.

The Clerk explained to the Committee that risk appetite can be defined as the amount of risk that an organisation is willing to seek or accept in the pursuit of its long term objectives. Risk appetite is therefore best expressed as a series of boundaries (which may change over time) appropriately authorised by management, which give each level of the organisation clear guidance on the limits of risk which they can take, whether their consideration is of a threat and the cost of control, or of an opportunity. A well-defined risk appetite therefore sets the boundaries which form a dynamic link between strategy, target setting and risk management.

The submitted statement for consideration by the committee tonight proposed that the College's approach should be to minimise its exposure to reputational, compliance and financial risk, whilst accepting and encouraging an increased degree of risk in pursuit of its mission and objectives. All present agreed that the statement of risk appetite made clear to Governors, Management and stakeholders that the college's appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

Members also agreed that the proposed risk appetite made clear links between the college's risk management process and the college's strategic goals and that the statement was sufficiently descriptive to guide strategic and every day decisions and actions across the organisation. Members however welcomed feedback from the Senior Leadership Team on whether the proposed risk appetite accurately articulates how much risk the college is willing to take.

Resolved:

- **Feedback to be received from the Senior Leadership Team on the proposed risk appetite statement by date of next meeting.**

ii) Risk Management Policy

Ms Pryce presented the revised Risk Management Policy; attention was drawn to the amendments made as requested by the committee at its last meeting.

All members agreed that reference to the Statement of Risk Appetite should be included within the policy once finalised and approved.

Ms Pryce also took this opportunity to re-present to the committee the fully updated Risk Register for 2017/18. All members remained satisfied that the Board Assurance Framework, in its entirety, continues to provide adequate and effective framework for risk management.

Resolved:

- **For the Corporation to approve the recommended Risk Management Policy**
- **That the Risk register 2017/18 be received.**

iii) Disaster Recovery and Critical Incident Plan

Ms Shackleton re-presented the Disaster Recovery and Critical Incident Plan with the amendments made as requested by the Committee at its last meeting. Ms Shackleton confirmed that the plan has been significantly revised in line with the national context, particularly in relation to PREVENT, and that amendments to internal procedures have also been made with 'real life' emergency evacuation and lockdown testing is to regularly take place throughout the college.

The committee was satisfied that the Disaster Recovery and Critical Incident Plan has achieved its specific aims which are to:

- Create awareness of the need for planned arrangements.
- Provide a management framework for responding to a major incident.
- Establish an Incident Management Team (IMT) that manages strategies and allocates resources to ensure a major incident has minimal impact on the operation of the College.
- coordinate the full reinstatement of College services as soon as possible.
- Provide reassurance of the practical help available at short notice.
- Pass on advice based upon previous experiences.
- Give guidance on sources of information and help.

Resolved:

- **That the Disaster Recovery and Critical Incident Plan be received.**

4. BAF Assurance Review: Poor business continuity planning and critical incident management

The Committee agreed that the breadth of information included had provided members with the necessary assurance that the existing controls in place are adequate and effective and in proportion to the individual risk being managed. Additional assurance sources were raised throughout discussions that had been omitted from the assurance report.

The Committee agreed however that an overall green assurance level shall be assigned to this particular risk.

Resolved:

- **To assign Green Overall assurance to the risk**
- **For the Clerk to update the Master BAF.**

(Ms Shackleton left the meeting).

5. Recommendation tracking

Mr Shaw presented his report to the Committee.

He explained that all audits undertaken earlier in 2017, will be followed up by the Internal Auditors in 2017-18 and have now appeared on the tracker document.

All other items from previous audits, confirmed as completed by IAS, have been removed from the document.

There are no other items from other external, TPS or other audits to follow up

Resolved:

- **That the report be received.**

6. Internal Audit Annual Report 2016/17

Mr McCulloch presented the 2016/17 Annual Report on the internal control environment at HNC. He explained to members that the annual internal audit report summarises the outcomes of the reviews that TIAA have carried out on the organisation's framework of governance, risk management and control. This report is therefore designed to assist the Corporation in making its annual governance statement.

Mr McCulloch confirmed to the committee that TIAA is satisfied that for the areas reviewed during the year that HNC has reasonable and effective risk management, control and governance processes in place. Also there is evidence to support the College's achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed.

Resolved:

- **That the report be received.**

7. Internal Audit Strategy 2017/18

Mr McCulloch advised the Committee that the rolling strategic plan for 2017 /18 to 2019/20 had been drafted with Mr Shaw (Assistant Principal – Finance) and Ms Pryce (Director – MIS, Planning and Student Services). The College Senior Leadership Team has also considered, and is in agreement with the proposed audit plan. The areas to be audited during this academic year are:

- Governance (Structure and process)
- Risk Management (Review of Board Assurance Framework)
- Finance (Funding and Budgetary control)
- Estate Management
- Follow up

Governors were of the opinion that the Strategy for Internal Audit covers the College's key risks and assurance needs. The Committee was therefore agreeable to the proposed internal audit plan for 2017/18 based upon 20 days of audit activity.

Resolved:

- **That the Internal Audit Plan for 2017 – 2018 be approved**
- **For the Internal Audit plan to be shared with all Governors.**

8. Teacher Pension Scheme audit year ended 1st March 2017.

The Committee received the external Auditors certificate to confirm that contributions had been made in accordance with the TPS Employer's Guide for the year ended 31 March 2016.

Resolved:

- **That the report be received.**

9. Post 16 Audit Code of Practice Self assessment questionnaire

The Clerk reminded the Committee that a new Post 16 Audit Code of Practice was published in March 2017 and is relevant to accounting periods ending on or after 31 July 2017.

To support corporations in drafting the statement of regularity, propriety and compliance, the ESFA have again published a self-assessment questionnaire. The self assessment questionnaire is a required element of the Regularity Audit.

Members duly considered the self assessment questionnaire. Members were in agreement with the colleges responses and asked for the Principal as Accounting Officer and the Chair to the Corporation to sign and date the self-assessment prior to forwarding it onto the College's External Auditors.

Resolved:

- **That the report be received**
- **For the Chair and Principal to sign and date the Self assessment Questionnaire prior to forwarding it onto the College's External Auditors.**
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10. Any other Business.

Date of next meeting:

The Clerk advised the committee that the meeting planned for 27th November 2017 has been moved to 28th November 2017 at 6pm instead. The College is now closed on 27th November for staff wellbeing day.

11. Learner Impact Reflection

The impact of discussions and scrutiny of the Committee work in improving the outcomes and experience for all learners was considered and the following agreed:

- **Failure to respond adequately to critical incidents and/or disasters could impact on students' learning, if we are unable to continue with our business for any length of time.**
- **Failure to respond adequately to critical incidents and/or disasters could impact on students' learning, if we are unable to continue with our business for any length of time.**
- **Assurance that the college has an adequate and effective framework for governance, risk management and control**
- **Assurance received that the college has an adequate and effective framework for governance, risk management and control and has fulfilled its statutory responsibility for 'the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets'.**
- **Assurance received that the college has adequate resources to continue in operational existence for the foreseeable future.**
- **Assurances received that the college remains compliant with regularity and propriety requirements as per the terms and conditions of funding**
- **Effective risk management increases the probability of successful outcomes, whilst protecting the reputation and sustainability of the College**
- **The Committee recognises that the Corporation has a responsibility to manage internal and external risks as a key component of good corporate governance and is committed to embedding risk management to help achieve the College's strategic objectives**
- **Assurance that the college has compliance with laws and regulations**
- **Ensuring safety of students, the quality of learning provided, facilities, and funding of & Governor oversight of Strategic and Financial plans for students**

11. Determination of confidentiality

The personal contact details listed within the Disaster Recovery Plan are to remain confidential and not to be circulated; other than amongst the DRP management team.

All supporting papers for the Board Assurance Framework are also to be deemed confidential.

12. Date of next meeting: 28th November 2017 at 6pm.