

**CHELMSFORD COLLEGE
AUDIT COMMITTEE
23 November 2021**

Minutes

Minutes of a Meeting of the Committee held in the Committee Room, Moulsham Street Campus, Chelmsford and via video conferencing through MS Teams on Tuesday 23 November 2021 at 4.30 pm.

PRESENT: Jenny Beaumont (Chair)
Susan Hughes *
Jaya Patten *
Doug Zeeman

IN ATTENDANCE: Andy Sparks (Principal)
Debs Hurst (Deputy Principal, Finance & Corporate Services)
Mark Emerson (Director of Information Services)
Carl Bullen (Scrutton Bland, IAS) *
Gary Miller (Price Bailey, external auditor)
Rob Millea (Clerk to the Corporation)

*Denotes attendees via MS Teams: all others present in person

684. RESIGNATION OF MEMBER, APOLOGIES FOR ABSENCE AND WELCOME TO NEW MEMBER

Apologies for absence were received from Trevor Bolton, Richard Davidson, Debbie Garroway (Vice Principal, Curriculum & Quality) and Paul Goddard (Scrutton Bland, IAS).

The Chair welcomed Gary Miller and Carl Bullen to the Meeting.

The Chair welcomed Richard Davidson to the Committee.

The Clerk reported that Julie Williams (Staff Governor) had resigned from the Board and this Committee on 24 September 2021.

A new Support Staff Governor is being actively sought, who may join this Committee.

685. DECLARATIONS OF INTERESTS AND CONFIDENTIAL ITEMS

The Clerk declared his interest as Company Secretary of Essex Shared Services Limited.

Price Bailey declared their interest as external auditors of South Essex College and Essex Shared Services Limited. Price Bailey also declared the interest of Paul Bartlett, senior manager on the Chelmsford College assignment, who is a Member of the Board and Chair of the Audit Committee at Harlow College. In this regard, Price Bailey have signed a non-disclosure Agreement.

Scrutton Bland declared their interest as Internal Auditors of South Essex College and Essex Shared Services Limited.

The Committee noted that the Principal is a Director of Essex Shared Services Limited.

Debs Hurst declared her interest as a Members' Representative on the Essex LGPS Pension Advisory Board.

Trevor Bolton declared his interest as non-executive Chair of Navitas UK Holdings Limited, which company runs a number of embedded Colleges within universities offering mainly foundation level courses (Access equivalent). This was a new interest.

No Confidential items were notified.

686. MEETING WITH THE AUDITORS PRIVATELY

The Committee met privately (using MS Teams) with the Internal Auditors and External Auditors without Management being present. The last such Meeting took place on 17 November 2020. It is the Committee's policy to have such a Meeting at least annually.

The Clerk will provide confidential feedback on the discussions to Management (now done).

687. MINUTES OF THE MEETING HELD ON 22 JUNE 2021

The Minutes of the meeting held on Tuesday 22 June 2021 were **APPROVED** and **SIGNED** by the Chair of the Meeting.

688. MATTERS ARISING

The Clerk **PRESENTED** a Paper outlining Matters Arising from the previous Meeting of the Committee on 22 June 2021, noting the Actions taken as a result.

Approved by the Board on 8 July 2021 on the recommendation of this Committee

- College Financial Forecasting Return
- Self-Assessment of College Financial Health Grade at 31 July 2021 (Requires Improvement rising to Good in 2022/23)
- Appointment of Price Bailey as external auditors of the College for 2020/21 and 2021/22, with the option to extend for a further year thereafter
- The departure of Amanda Montague from the Committee on 1 August 2021 following her appointment as Chair of the Board
- Pay assumption of 1% to be used in actuarial calculation 2020/21 as there is no likelihood of a higher increase being possible for some years.

Approved by the Board on 24 September 2021 on the recommendation of this Committee

- Regularity Self-Assessment Questionnaire (including COVID supplement) for 2020/21) – signed by the Chair of the Corporation and the Principal as Accounting Officer and submitted to the regularity auditor, Price Bailey

Other matters:

- The Principal, Jaya Patten and the Clerk were present at the recent Meeting of the Board of ESS Limited (8 November 2021) where the draft accounts of ESS were considered
- The College Accounts for 2020/21 have been signed and filed
- All governors received GDPR update training at the board Development Day on 15 October 2021 except for Sarah Noble and Susan Hughes, who were absent. Training for them will be undertaken as soon as can be arranged (**ACTION: ME**)
- The delegated authority schedule will be updated to be approved at the December Board Meeting. The Financial Regulations will be updated in the new year and approved at the next Board Meeting
- The DPFCS advised that COVID risks are shown within the main dashboard

The Director of Information Services gave an update on progress for cyber accreditation (minute **693.3**).

The DPFCS gave a verbal update on the accessing of policies by staff and recording thereof. The College has over 300 policies and it is the practice that those policies of overarching significance (e.g. COVID protocols) or are of a statutory nature (e.g. Safeguarding) are emailed out to staff and sometimes covered in all staff Meetings.

Each Director is responsible for ensuring those staff under their control who need to know are kept informed. Separate monitoring takes places for statutory policies as far as whole staff access is concerned and confirmed by them.

All other Matters Arising are dealt with elsewhere within this Agenda.

689. RISK MANAGEMENT REPORT

This Report was **PRESENTED** by the Deputy Principal, Finance & Corporate Services, comprising Risk Dartboard, and up to date Risk Register.

689.1 Risk Register and Dartboard

The College Risk Register, recently updated, was considered by the Committee. There are currently 27 key risks made up of 4 RED risks, 15 AMBER and 8 GREEN.

There are four RED risks:

- T Level equipment – failure of recent capital bid to facilitate delivery of T Levels and therefore how can this be facilitated in the future
- Staff Recruitment – as with other Colleges, staff turnover has increased substantially with some key areas of concern (Electrical, Learning Coaches to deliver personal development programme, LSAs, LRC and Nursery) – it is now about 34% against past historical levels of around 18%
- Functional Skills quality improvement – an Intervention Plan is in place which was discussed by the Quality & Learners Committee at their Meeting on 9 November 2021
- Virus protection measures – the College follows Government guidelines for educational establishments

COVID19 remains generally a high risk and one element of that is a RED risk which involves the college ensuring it has sufficient protective measures in place for staff and students. There are two AMBER risks in this regard – staff & students following government measures and individual risk assessments for specific groups being in place.

DPFCS said Safeguarding should be on the dartboard and the next iteration will include emerging extremism. In addition, the impact of energy prices from September 2022 will be added to the Register.

The Committee **AGREED** these additions to the Register.

Governor Questions

Susan Hughes asked why was our bid turned down for T Levels capital funding. The Principal reported that he had made representations to local MP for Chelmsford which was forwarded to the Government Skills Minister.

There was no response from the Minister but there was a response from the DoE capital team saying that the College had not adequately proved a need for more space to deliver T Levels. This is a considerable setback and it will be difficult to offer T Levels in an optimum environment.

The DPFCS said that there will probably be an equipment capital allocation relating to T Levels which will be useful but it is likely to require 50% matched funding from the College.

The Committee **NOTED** the points made on these risks in the Report and the verbal comments made by Management.

The Committee were reminded that review of the Risk Register is a standard agenda item at regular SMT Meetings each week and is therefore scrutinised on a continual basis, with supporting Reports. Risks are 'owned' by the relevant Director.

Mitigation of risks is a combination of internal and external assurance and the actions in place to achieve that.

The Committee **RECEIVED** the Report.

689.2 Risk Management Policy

The Committee **NOTED** that the Policy will be reviewed after the internal audit has been undertaken on 13th/14th December 2021. The updated policy will be taken to the Board Meeting on 25th March 2022.

ACTION: DPFCS

689.3 Business Continuity and Disaster Management update

The Committee were reminded that Crisis Management Meetings are normally held once per term, but, due to the COVID-19 pandemic, such Meetings have been held more frequently and this continues.

Management confirmed that a Detailed Action Plan is in place to handle Critical incidents and it is regularly reviewed.

Otherwise, key risks of a critical nature are covered in the Risk Register and Dartboard above.

690. INTERNAL AUDIT

690.1 Internal Audit Completed Reports 2020/21

Final Audit Reports relating to the 2020/21 year were tabled for review and scrutiny by the Committee:

- ESS: Procurement (reasonable assurance)
- ESS: End of year processes re Chelmsford College (strong assurance)
- Subcontracting (significant assurance)

In respect of **ESS: Procurement**, the scope of the audit was to review the following risks:

- Failure to obtain and/or demonstrate that value for money has been achieved during high value procurement exercises
- Payments being made for goods and services which have not been received or for damaged or incomplete goods
- Payments being made against unauthorised purchases

The Report found that action is required on **two medium level** recommendations and **two low level** recommendation. The medium level items are:

- Use of a purchase waiver when Procurement Policy is not followed, giving the reason for not following the Policy
- Ensuring that the Contract Register captures all contractual arrangements and supporting documentation when the value is over the determined minimum threshold

Both recommendations were agreed by Management with deadline dates for completion of September and October 2021 and the Committee was advised that they have been implemented.

DPFCS commented that there are payments in place for which there is only one supplier. There has been difficulty in going out to tender over the recent past due to the pandemic and therefore, so long as the existing supplier is appropriate and delivers well, the arrangement with them have been rolled over for the time being.

She also reported that the Contract Register will be computerised in the future rather than relying on 'paper' records.

The Chair said that there was a need to ensure purchase waivers are in place and recorded clearly and this was agreed. This will be put into practice as soon as possible.

In respect of **ESS: End of year** processes, the Report gave **strong** assurance with **no recommendations** being raised.

The scope of the audit was to review why the completion of the 2020/21 external audit suffered significant delays compared to the previous year and had accordingly not improved.

It was noted that previous external audit recommendations on 2019/20 had been actioned.

In respect of **Subcontracting**, the Report gave **significant** assurance and raised **two low level recommendations**. The scope of the audit was to review the risk that the College fails to comply with the ESFA's subcontracting requirements recognising the inability during this pandemic year to conduct face-to-face interviews with students.

The low-level recommendations were to ensure that ESFA AEB funding rules be included in contracts with any subcontractor and, to maintain due diligence of subcontractors, the procurement of subcontractors' management accounts.

690.2 Internal Audit Annual Report 2020/21

Scrutton Bland **SUBMITTED** their Annual Report 2020/21 detailing the work done and their findings. They carried out 16 days of work for the College covering eight assignment reviews, including Essex Shared Services Limited assignments.

The completed audits were

- ESS Procurement (reasonable assurance)
- ESS End of year processes for Chelmsford College (strong assurance)
- Mandatory Training (strong assurance)
- Human Resources (strong assurance)
- Subcontracting (significant assurance)
- Health & Safety review (reasonable assurance)
- Curriculum Planning (strong assurance)
- Teachers' Pension Agency Return (advisory only)

The Committee received Reports on all these audits at previous Meetings of the Committee during 2020/21, save for those mentioned at the start of this minute.

Overall, therefore, there were seven assurance Reports completed in the year and one Health check (advisory Report), with the assurances as noted above.

In these Reports, no high-risk recommendations were made – there were 4 medium risk recommendations and 6 low risk recommendations (last year: 3 medium and 14 low).

The Committee were pleased with the benchmarking information provided by the internal Auditors against other FE clients of theirs and this provided further assurance to the Committee, as the performance of the College was better overall than the comparators.

Susan Hughes asked whether the College performs well across its systems compared to other FE Colleges for which Scrutton Bland acts and Carl Bullen provided this assurance.

Jaya Patten asked if, looking to the future, there is anything the College needs to consider in the risk area: Carl Bullen said that possible extremism is an issue and also that staff are stretched which has operational consequences. He said that, from his observations, Chelmsford College have coped very well during this trying time.

The Report was **RECEIVED**.

690.3 Internal Audit Completed Report 2021/22

One audit assignment has been completed since the last meeting of the Committee on **Funding Assurance** and the Report was **RECEIVED**. This was an additional report which was a requirement from the updated Accounts Direction.

Significant assurance was provided for both Apprenticeships and classroom based funded students.

The substance of the review was to assess the risks that:

- The College is non-compliant with the ESFA's Young People's Funding Guidance and AEB Funding guidance, resulting in a funding clawback
- The College is non-compliant with the ESFA Apprenticeship Funding Guidance resulting in a funding clawback

Two low level recommendations were made regarding the timeliness of raising invoices for employers and tidying up the process for recording learner withdrawals.

A **best practice** point was noted during the audit in that the auditors considered the monitoring of off-the-job hours are an example of best practice compared with other College clients of IAS. This includes the use of SmartAssessor to log actual activities completed, communication with learners through tutors how learners are encouraged to complete their activity logs and the reports which are produced to monitor completion of off-the-job activities.

The Report was **ACCEPTED**.

690.4 Internal Audit Progress Report 2021/22

This was **PRESENTED** by Scrutton Bland (verbal) explaining progress to date (Funding Assurance audit). Carl Bullen informed the planned dates for the rest of the year's assignments, which have been agreed with management.

The Report was **RECEIVED**.

690.5 ESS Limited – Audit Assignments 2021/22

The ESS Limited Board met on 8 November 2021 and decided that two assignments would be carried out during the year: Payroll and Fixed Assets.

The Committee **AGREED** that the ESS Ltd audits for the year relevant to Chelmsford College would be as noted above.

691. PREVIOUS AUDIT RECOMMENDATIONS

The Committee **RECEIVED** a verbal summary of previous recommendations and actions taken from the DPFCS, noting that all previous audit actions have been completed.

The Committee **NOTED** the Report.

692. ANNUAL REPORT AND ACCOUNTS 2020/21

The Vice Principal, Finance & Corporate Resources **PRESENTED** the following documents for consideration by the Committee:

- Draft Annual Report and Audited Financial Statements of the College Group for the year ended 31 July 2021, including the Regularity Audit Opinion
- Draft Audit Highlights Memorandum from Price Bailey
- Draft Reports and Financial Statements for the year ended 31 July 2021 for Dovedale Nursery CIC (College subsidiary)
- Going Concern Report
- Teachers' Pension Agency Return

The Committee also received a copy of the draft accounts of Essex Shared Services Limited for information. These have been reviewed by the Board of ESS and are subject to final textual and technical review by the auditors. They will be approved by the ESS Board by email before the College ARA is approved on 10 December 2021.

692.1 College Group Financial Statements

The Annual Report and Accounts were **PRESENTED** to the Committee for review by the DPFCS.

The Surplus in the Annual Financial Statements for the College Group for 2020/21 has been reconciled to the surplus as per the Management Accounts, the movements being primarily in connection with pension fund accounting under FRS102, which turns an operating surplus of £117K into an overall surplus of total Comprehensive Income of £2,803K.

For the year, the actuarial gain in respect of the LGPS amounted to £3,749K and there were LGPS pension interest costs of £121K and direct LGPS pension service charge costs of £880K.

There are no post balance sheet events and significant funding assurance has been gained from a Scrutton Bland audit over this area. The bank covenants have all been complied with at the balance sheet date.

So far, there are no audit adjustments identified to the Accounts of the College or Dovedale Nursery CIC and Price Bailey indicated that they would be issuing unqualified opinions on the two entities and an unqualified regularity audit opinion.

The Dovedale Nursery accounts report a deficit for the year of £20K, primarily due to increased staff costs to comply with COVID19 and additional operating costs for the same reason. therefore, no gift aid donation to the College will be possible this year.

The Committee noted the excellent result for the year in what continues to be an extremely tight financial climate in the sector, coupled with the financial challenges of the coronavirus pandemic.

In computing the actuarial loss, the Committee were reminded that the Board had approved a 1% salary increase assumption for the foreseeable future.

The Committee **NOTED** the draft Annual Report and Accounts for the College Group and Dovedale Nursery CIC and that they be **APPROVED** by the Board at its Meeting on 10 December 2021, subject to all outstanding points being satisfactorily completed.

692.2 Going Concern Report

The Deputy Principal, Finance & Corporate Resources **PRESENTED** a Going Concern Report to provide assurance to the Committee that the College is considered to be a Going Concern for the period of twelve months after the approval of the 2020/21 accounts (i.e. to December 2022) and to enable it to recommend accordingly to the Board on 10 December 2021 as part of the accounts approval process.

The wording relating to Going Concern in the Members' Report was provided to the Committee.

The risks considered were as follows:

- Debt Management including assertions that the College will have sufficient cash resources within its current facility of £3.5 million to operate
- Recruitment of 16-18 year old students for 2020/21 showed growth of 6% compared to 2019/20 which will increase base allocation from August 2022 by around £700K under the lagged funding learner model
- Capital Expenditure: completion of the new Construction Centre at Princes Road, one third of which is fundable by the College (the balance by SELEP) which will constrain other expenditure monies – T Level investment will also be required on a 50:50 basis if a capital fund allocation is provided
- Budget Surplus: a small surplus is predicted for 2021/22 but this is subject to salary costs (including recruitment and the rise in the National Living Wage) and extra Government taxes recently announced, which will not be funded (even though they are for schools)

The Committee **NOTED** that the College's Financial Health as advised by the ESFA (letter dated October 2021) at 31 July 2021 was Requires Improvement and, based on the draft ESFA Financial Plan, would remain as Requires Improvement for 2021/22, but should improve to Good for the following year.

The Committee noted the financial risks to the College taken into account in this Report and, having considered these risks and the accounts and budget and cash flow projections for the twelve months following the date of signing of the accounts (expected to be 10 December 2021), is satisfied the College Group is a Going Concern.

The DPFCS said that cash was the main factor in the College being able to improve its Financial Health from Requires Improvement to Good (as more cash will improve the current ratio). Therefore, the College will be monitoring cash extremely closely.

Price Bailey raised the point that the College is not receiving interest on cash balances, referencing the fact that the College had cash reserves at 31 July 2021 of £1.6 million. The DPFCS responded by saying this was unusually high, boosted as it was by unspent capital funding receipts. During the year, cash is a key risk and is monitored very closely. Investment in deposits has to be on a 32 day basis with the College's bankers and this does not correlate with the College's day to day cash demands.

The College intends to request a short-term overdraft facility of £300K for the period from 1 February to 30 April 2022 in order that sufficient funds are available to pay suppliers to terms, especially regarding the capital project.

It was noted that the ESFA Standard rolling cash flow template is being used by the College in the Financial Plan for 2021/23.

Therefore, the Committee **RECOMMENDED** to the Board that, in their opinion, the College is a Going Concern for the twelve month period from 10 December 2021.

692.3 Price Bailey Audit Highlights Memorandum

Gary Miller of KPMG led the Committee through the detail of the Price Bailey Audit Highlights Memorandum and made the following points:

The Committee noted the following outstanding points in connection with the approval of the accounts:

- Letters of Representation for the Group and the subsidiary company (Dovedale Nursery CIC)
- Letter of Comfort from the College to KPMG in respect of Essex Shared Services Limited (joint venture company) noting that South Essex College also provides such a letter for ESS

- Some items in connection with completion of audit work on the financial statements (final ESFA confirmation of funding and final textual review of the Accounts and Annual Report)
- Final post balance sheet events review, including wording of the final audit report (a draft had been provided to the Committee)

There were no significant findings arising from the areas of significant accounting judgement identified by Price Bailey during their planning stage.

Price Bailey recited the significant risks they had addressed during the course of the audit, which are documented in the Memorandum.

Price Bailey are comfortable that the College is a Going Concern and are prepared to sign an unqualified opinion on the Accounts and an unqualified Regularity Audit Opinion.

Price Bailey reported one audit recommendation (medium priority) relating to a lack of authorisation procedures on items tested relating to credit cards/charge cards to which Management responded by stating that the procedures will be tightened. An on-line system is being implemented to control this procedure, noting that the use of credit cards/charge cards system is relatively small in practice.

The action taken will be reported back to the Committee at future Meetings in the agenda item – Previous Audit Recommendations.

ACTION: DPFCS

Gary Miller mentioned that the disclosure of related parties by governors and SMT may not be sufficient as regards familial relationships (defined as 'close family'), where the requirements under the SORP are wider than FRS102. It was **AGREED** that this should be reviewed and relevant individuals asked to confirm.

ACTION: CLERK

Gary Miller felt that the results of the external audit support the notion that the quality of the management accounting function and its outputs through the monthly accounts etc produces reliable results.

Gary Miller said that it is not essential that consolidated accounts including Dovedale Nursery be prepared. The DPFCS said this was an historical position and it is not the wish of the College to change the current practice.

Gary Miller informed the Committee of staffing issues which they had to address during the audit but these had been overcome by his firm. Susan

Hughes sought assurances from Gary Miller that Price Bailey would have sufficient resources to expedite the audit and these were given.

The Committee **NOTED** the Report from Price Bailey and that a similar presentation will be given by them to the Board Meeting on 10 December 2021, as required by the Joint Audit Code of Practice. The Board will then approve the ARA for 2020/21.

692.4 Teachers' Pension Agency Return

The certificated return of contributions to the Teachers' Pension Agency for 2020-21, audited by Price Bailey, external auditors, and certified by the Principal, has been completed and has been submitted to the TPA within the deadline.

No material issues arose from the certification process.

693. DATA REPORTS

693.1 Annual Summary ILR Report

The Director of Information Services provided a verbal Report to the Committee.

He reminded the Committee of what the ILR is and the uses to which it is put (monitoring/supporting funding levels in the sector/progression against targets) as required by the ESFA.

The ILR process and returns are very complex and ongoing to ensure the College collects accurate data, interrogates that data and reports it regularly.

During the year to 31 July 2021, Mark Emerson reported that all ILR Returns have been submitted error free and with minimal queries (which are not necessarily errors) on a monthly basis. A recent return contained 13 queries out of nearly 10 000 data entries, which is miniscule.

Internal Audit carried out an audit on Funding Assurance recently (both classroom based provision and Apprenticeship provision) providing significant assurance in both cases. Next year, the audit on this area will be done by Price Bailey as part of the external audit function and it will have to be done annually thereafter.

This is part of the changes to the assurance of this area following the ESFA ceasing to provide this assurance – they merely confirm the amount allocated to the College and not whether the actual College returns support the allocation.

693.2 Annual Data Protection Report 2020/21

The Committee **RECEIVED** and **DISCUSSED** the above Report, the third annual Report which has been issued. The Report is provided to give assurance to governors as to the College's activity in this area and its compliance with good practice.

The Committee were reminded that Doug Zeeman is the designated GDPR/Data Protection governor and he reported that he had reviewed the Report with the Director of Information Services.

The Report highlighted the achievements since the GDPR Regulations came into force on 25 May 2018 (mandatory requirements):

- Implementation of the Employer portal to better manage contact with employers and their apprentices
- Implementation of retention rules
- Updated remote access for staff rolled out just before March lockdown
- Deployment of the Microsoft Office 365 suite of applications, particularly the implementation of MS Teams to support remote learning safely and securely

In respect of 2020/21, the Report stated the following:

- Appropriate organisational structures, policies and training are in place
- The College is compliant with data handling legislation
- 97% of staff have received Data Protection training
- 21 Personal Data Protection Events received during the year, none of which fell into the three highest categories and most, after investigation, had a very low or insignificant risk of likely harm
- Move of all individual staff file storage to OneDrive, limiting the need for files to be downloaded to a local location when working remotely
- Working towards Cyber Essentials certification
- Planning for a self-service password reset process

The key matters to progress during this year, some of which had been disrupted by the pandemic, are:

- Cyber security audit by internal audit during the year
- Review of off-site archive against revised retention guidance
- Implementation of cloud-based Digital Asset Management solution
- Audit of Digital Images

- Implementation of Intune to allow centralised management of apps and files
- Self-service password resets (to complete)
- Review of Office 365 GDPR compliance tools
- Use of protective marking for documents containing sensitive or personal data

The Committee noted that update GDPR Training was provided to governors at the Board Development Day on 15 October 2021, with Susan Hughes and Sarah Noble to be given the training as soon as possible.

Mark Emerson informed the Committee that a separate Data Protection and GDPR Risk Register and Dartboard continues to be maintained and this is a subsidiary document underpinning the College's main Risk Register.

The Committee **RECOMMENDED** that the Report be approved by the Board at its Meeting on 10 December 2021.

693.3 IT Development update

The Director of Information Services gave a verbal update.

He made reference to the IT issue in April 2021 which resulted in a loss of network data for a small number of staff and students explaining that it was a hardware failure not a cyber security issue. It was mitigated by remote working and cloud based solutions e.g. MS Teams. No student outcomes were directly affected.

A full postmortem with lessons learned identified has been carried out.

The following **Developments** are being implemented from Summer 2021:

- Cloud based solutions – OneDrive and Microsoft Azure Files
- Upgrade of internet connection
- Replacement of 230 staff PCs
- Introduction of multi factor authentication (MFA) for administrator accounts
- IT team realignment (with a data security role being created)

Mark explained that OneDrive provides some considerable benefits to the College (accessibility, improved user experience, no additional cost to the College, access to leading hardware and security, some potential savings on existing other annual contracts).

As noted above, a Cyber security internal audit is planned for February 2022. In addition, the cyber security risk will be included on the Risk Register.

ACTION: DPFCS/ME

Susan Hughes observed that a number of local colleges, schools and universities have been hacked over the last few years. Mark Emerson said that the events were not just local but national. A common factor of these events was that the institutions in question used an 'on premises' email server and it was this that was attacked. Chelmsford College does not have an 'on premises' email server – emails are supported through the 'cloud'.

Mark Emerson believes that the College is taking all feasible steps to counter known and unknown risks of attacks but one cannot be over-confident. The College continues to develop resilience all the time.

Mark Emerson also said that the College is seeking Cyber accreditation (Essentials Plus) by the end of this year.

The Committee **RECEIVED** the Report.

694. COMMITTEE MATTERS

The Clerk **PRESENTED** the Annual Report of the Audit Committee 2020/21 for consideration by the Committee and, after discussion and completion by the Clerk of sections relating to internal/external audit work, the Committee **RECOMMENDED** it be approved by the Board at their Meeting on 10 December 2021.

The Report informs the disclosures made in the Annual Report of the College regarding Corporate Governance and Internal Control.

The Committee reaffirmed that, in its opinion, the Board can take assurance from the work of this Committee.

The Clerk **PRESENTED** a Report covering the Committee's Self-Assessment for 2020/21 and the Committee **NOTED** the responses from Members (six).

The Committee were informed that the average grade for graded questions awarded by members for the year was 1.45 (last year 1.9), midway between Good and Outstanding, a considerable improvement from last year.

The Committee noted Areas for Development which arose from the returns and these will be actioned during the year, as the opportunity arises.

ACTION: CLERK

The Committee **AGREED** its Terms of Reference, without amendment, and **RECOMMENDED** that they be approved by the Board at its next Meeting on 10 December 2021.

The Committee also **NOTED** its compliance with the Terms of Reference during the 2020/21 year, evidenced by a compliance document prepared by the Clerk.

695. ANY OTHER BUSINESS

There were no items of AOB.

696. DATE OF NEXT MEETING

Tuesday 1 March 2022 at 4.30 pm.

There being no further business, the Meeting terminated at 6.45 pm.

Signed.....Dated.....