Heart of Yorkshire Education Group Corporation ('Corporation')

Board of Governors ('Group Board')
Audit Committee ('Committee')

Minutes of the Meeting held on 5 March 2024 ('Meeting')

Present:	Nigel Brook ('Chair'), Jason Brook ('JB') and Martyn Shaw ('MS').
	Head of Governance and Legal Services ('Clerk')
In attendance:	Group Executive Director of Finance and Resources ('JP'), Director of IT ('MP'), Marc Harvey (ICCA-ETS) (until minute 9) and Sandra Prail (AOC) (until minute 8).
Absences:	Faye Banks

1. Welcome and Apologies for Absence

The Chair welcomed Committee members, Marc Harvey of ICCA-ETS and Sandra Prail of the AoC who was conducting a review of governance at the College. The Chair reported that due notice of the Meeting had been given, that Faye Banks had not confirmed her attendance and was not expected to be present and that the Meeting was quorate. Accordingly, the Chair declared the Meeting open.

2. Declarations of Interest

The Chair asked for declarations of interest. None were made.

3. Minutes of the Meeting held on 7 December 2023

IT WAS RESOLVED THAT the minutes of the meeting of the Committee of 7 December 2023 were approved subject to an amendment to document the appointment of JB as Deputy Chair of the Committee.

4. Matters Arising

The Clerk noted that all matters arising had either been addressed or would be discussed during the Meeting.

5. Cyber Security Briefing

5.1. MP gave a presentation on the College's cybersecurity measures and noted the College's internet security and backup procedures and user awareness training. He noted that the College was working towards Cyber Essentials certification by July, with some exclusions due to specific student program requirements. MP explained the mobile phone signal at Selby was poor, affecting multi-factor authentication implementation but solutions were being explored.

5.2. Members:

5.2.1. Inquired about testing results and business continuity plans. MP highlighted ongoing training and disaster recovery exercises.

5.2.2. Asked about procedures if a ransomware attack occurred. It was confirmed that the insurance company and Jisc would be notified for assistance. JP explained the website is externally hosted, ensuring it can be updated if the network goes down and that regular disaster recovery exercises are conducted.

5.2.3. Asked about monitoring outside of core hours. MP confirmed that alerts are sent to relevant staff and third-party contacts.

5.2.4. Asked about ongoing training alongside phishing simulations. MP explained Boxphish courses are used for staff training.

5.2.5. Asked about the security of USB ports. MP explained that USBs are read-only and cannot run executable files.

5.2.6. Asked about penetration testing. MP confirmed that these had not recently been conducted but plans were in place for an IT health check by Jisc.

5.2.7. Asked about server updates. MP noted that servers and laptops are regularly updated, with off-site laptops connected via VPN for updates.

5.2.8. Asked about data centers. MP confirmed data is backed up across multiple sites.

6. Risk Management, Internal Control and Governance

6.1. Jason presented amendments to the Risk Management Policy, highlighting two key changes:

6.1.1. Inclusion of a five-by-five scoring matrix for better granularity, as recommended by ICCA.

6.1.2. Adjustment of the risk appetite, differentiating between very low risk for safeguarding and health and safety, and low risk for other areas, based on previous discussions.

6.2. Members:

6.2.1. Expressed satisfaction with the changes, noting a more realistic approach to risk.

6.2.2. Asked JP to modify the colour coding of the risk matrix for better visual distinction. JP agreed.

6.2.3. Suggested that the Group Board's role should be more explicitly referenced in the policy, particularly regarding risk mitigation, monitoring, and escalation responsibilities. It was agreed to include Group Board responsibilities in the table under section 5.1 on page 5, emphasising the Group Board's role in setting risk appetite and considering emerging risks.

6.3. IT WAS RESOLVED THAT the amended Risk Management Policy be recommended to the Group Board for approval subject to the above minor amendments.

6.4. Members turned their attention to the risk register and:

6.4.1. Asked whether the impact of cybersecurity risks was rated high enough given recent incidents. JP answered the residual risk is shown after controls are in place but the impact score could be reviewed and potentially increased.

6.4.2. Asked whether risks related to the new structure were still relevant two years post-merger. JP noted some long-term risks remain, but they will be reviewed and updated as needed.

6.4.3. Asked whether it was possible to establish a timeline for managing risks to acceptable levels. JP answered timelines are feasible for certain risks, but others, like funding, are subject to frequent changes.

6.4.4. Whether risks could be ordered from highest to lowest in the next iteration of the register. JP agreed.

7. Status of Previous Audit Recommendations

JP provided a brief update indicating that there were no overdue audit recommendations at this time.

8. ESFA Apprenticeships Audit update

Please see the confidential minutes of this Meeting.

9. Audit Services Procurement Update

9.1. The Committee discussed the procurement process for audit services.

9.2. JP noted that the staff member responsible for leading the procurement planned to utilise the Crescent Purchasing Consortium to identify potential providers.

9.3. The Committee discussed the performance of both of the College's current auditors and their potential willingness to continue in their roles if selected.

9.4.　JP noted that the proposed procurement process involved scoring potential providers and sharing the results with the Audit Committee.

9.5.　The Committee expressed a preference for a five-year contract with a break point at three years, offering flexibility based on market conditions and stressed the importance of quality over cost, suggesting a scoring balance of 70% quality and 30% price. The Committee also emphasised the necessity of ensuring the selected audit partners had a strong understanding of the market and previous experience.

10. Review of the effectiveness of the meeting

It was agreed that the Meeting had been effective and it was closed.

The Chair noted that the next meeting of the Committee was to take place on 12 June 2024.

Signed………………………….…………… Date 12 June 2024

Actions

No.	Minute	Details	Deadline	Responsibility
1	3	IT WAS RESOLVED THAT the minutes of the meeting of the Committee of 7 December 2023 were approved subject to an amendment to document the appointment of JB as Deputy Chair of the Committee.	The next Committee meeting	Clerk
2	6.2.2	Members asked JP to modify the colour coding of the risk matrix for better visual distinction	The next Board meeting	JP
3	6.2.3	It was agreed to include Group Board responsibilities in the Risk Management Policy in the table under section 5.1 on page 5, emphasising the	The next Board meeting	

		Group Board's role in setting risk appetite and considering emerging risks.		
4	6.4.1	Members asked whether the impact of cybersecurity risks was rated high enough given recent incidents. JP answered the residual risk is shown after controls are in place but the impact score could be reviewed and potentially increased.	The next Committee meeting	
5	6.4.4	Whether risks could be ordered from highest to lowest in the next iteration of the register. JP agreed.	The next Committee meeting	