



Minutes of the Audit Committee Meeting held on Tuesday 14 March 2023 at 8am via Teams

- Present:** Mark Dawson (*Parent Governor*)
Sue Jarvis (*Co-opted Governor*)
Andrew Jones – Chair (*Co-opted Governor*)
Oliver Maddock (*Foundation Governor*)
Graeme Slater (*Foundation Governor*)
- In attendance:** Scott McCready (*Wylie Bisset – Internal Auditor*)
Michelle Williams (*Vice Principal, Finance, Resources & Systems*)
Kevin Burke (*IT Manager*) – for part of meeting
Ruth Potter (*Clerk*)

The Chair welcomed all attendees and the meeting was opened in prayer.

PART 1

1. DECLARATIONS OF INTEREST

Members were invited to declare whether they had any direct or indirect personal, prejudicial or pecuniary interest or conflict of interest in any matter that formed part of the agenda for this meeting or was likely to be discussed at this meeting.

There were no declarations of interest made.

2. APOLOGIES FOR ABSENCE

All members were present. The meeting was declared quorate.

3. ITEMS FOR INCLUSION UNDER ANY OTHER BUSINESS

There were no items submitted for inclusion under any other business.

4. MINUTES OF THE PREVIOUS COMMITTEE MEETING HELD ON 22 NOVEMBER 2022 (*previously circulated*)

The minutes were approved as a correct record and would be signed by the Chair in accordance with Article 12 (3) of the Articles of Government. The publication of the minutes was authorised in accordance with Article 13.

5. MATTERS ARISING FROM THE MINUTES (*previously circulated*)

Committee members noted the action log prepared by the Clerk.

The Committee agreed to bring forward item 7.1 on the agenda for consideration at this point.

7.1 JISC Cyber Security Assessment Report (*previously circulated*)

The Vice Principal referred governors to the report arising from the JISC Cyber Security Assessment conducted in December 2022. A number of

recommendations had been raised and these had been fully assessed by College staff and an action plan developed according to priority status.

The College IT Manager presented the action plan to governors and provided an explanation of the priority ranking, timeline for completion and progress monitoring arrangements. All high priority recommendations were explained in detail and reports provided on the actions taken and planned. Progress against individual actions was reported and projected completion dates highlighted. Overall progress against the plan stood at 45%.

Governors' comments and questions on the assessment report and associated College action plan were invited.

Q – Why is penetration testing not classified as a priority action?

A – Because penetration testing has already taken place this year as part of the JISC assessment process.

Q – Reference is made to 'regular' penetration testing. How often is this anticipated?

A – External penetration testing would come at a cost to the College, so best value is essential and frequency is part of this consideration. Currently considering twice yearly and annual options. In addition, IT Manager will be attending training on penetration testing in order to develop in-house expertise.

Q – Are there adequate resources to ensure active progression of all actions in the plan?

A – Will need to bring in some external expertise to action certain points. This will have beneficial impact on resources but will also add value in terms of securing independent assurance and expertise.

Q – What contingency planning is in place to reduce the risk of over-reliance on key personnel such as the IT Manager?

A – Reducing reliance on in-house systems where possible and outsourcing these when appropriate. Emergency cover options are available externally at a cost.

Q – What staff CPD arrangements are in place in relation to cyber security?

A – JISC assessment process in itself provided an intensive and detailed development opportunity to IT staff. In working through the recommended actions, CPD opportunities are being reviewed and refreshed.

Q – Impact of report on College's Disaster Management Plan and business continuity arrangements?

A – Disaster Management Plan has been updated in light of the JISC report and will be presented to governors for approval in due course.

Q – What follow up work does JISC undertake to assess successful implementation of recommendations in practice?

A – College has ongoing relationship with JISC as its internet provider and there remains the opportunity for JISC to conduct regular vulnerability and penetration testing should the College determine they remain the best value provider for these services.

Following discussion, governors indicated that they would welcome a follow up review from JISC at an appropriate point, to provide assurance that recommended actions identified in the recent report had been implemented effectively by the College.

In the meantime, governors requested that progress against the action plan be reported back to the next Audit Committee meeting to ensure continued oversight and assurance in this key area.

Governors thanked the Vice Principal and IT Manager for their comprehensive presentation and **noted** the contents of the report and action plan.

**ACTION – (a) JISC follow up review to be arranged
(b) JISC cyber security action log update – next Audit Committee agenda item**

Kevin Burke left the meeting at this point.

6. INTERNAL AUDIT

6.1 College management update report on previous recommendations and actions taken (previously circulated)

The Vice Principal provided a report on the recommendations arising from four previous internal audit reports and any outstanding actions brought forward:

- Business Continuity (May 2022)
- Strategic Planning (May 2022)
- Safeguarding (October 2022)
- Mental Health and Wellbeing (October 2022)

Business Continuity

An update was provided on plans to test the College's disaster management plan arrangements via a range of scenarios and to conduct staff training as appropriate. These actions were scheduled after Easter.

Strategic Planning

It was noted that the development of a dashboard reporting tool linked to the College's MIS system was delayed due to the planned implementation of a new IT system. Once the new system was in place, the reporting functionality would be explored and developed accordingly in order to address this point. It was noted that the standalone finance report had already been developed to provide a RAG rated dashboard for governors.

Safeguarding

It was reported that the one recommendation arising from this audit had been closed out.

Mental Health and Wellbeing

It was reported that the recommendation to develop an overall mental health and wellbeing policy for College staff had been actioned. The resultant draft policy had been shared with professional external advisors and the trade unions' forum for comment, following which it would be presented to governors for final approval.

The recommendation to develop a Mental Health Action Plan for 2022-23 based on the various work streams in place had been completed.

The Chair thanked the Vice Principal for her report and invited governors' comments and questions.

Q – Given changes in College Management Team (CMT) personnel, had the Disaster Management Plan been fully communicated to and understood by all key staff?

A – Disaster Management Plan had been updated but staff training on this had not yet taken place.

Q – How quickly would this take place?

A – Within the next six weeks alongside governor approval of the revised plan.

The Committee **noted** the contents of the report.

6.2 **Review of Internal Audit Plan 2022-23** (*previously circulated*)

The Vice Principal provided an update on progress against the previously agreed internal audit plan. As reported under an earlier item, the Safeguarding and Mental Health and Wellbeing internal audits had been completed. The following audits were scheduled to take place after Easter:

- Procurement and Contract Management
- Special Educational Needs and Learning Support
- Follow up.

Scott McCready confirmed that the internal audit assignment plans for these audits would be shared with College staff in the next two weeks.

The Committee **noted** the update report

6.3 **Sector Update**

The Internal Auditor provided the Committee with a verbal update on sector developments and key emerging risks.

Changes to Cyber Essentials accreditation

It was reported that there had been updates to these requirements including multi-factor authentication. It was noted that this issue had already been addressed as part of the JISC Cyber Security Assessment Report and action plan.

Procurement and contract management

It was reported that internal audits in this area were frequently picking up issues, usually in connection with compliance with stated policies and procedures.

Staff recruitment and retention

There were sector-wide issues with the recruitment of experienced staff, especially to roles requiring specific expertise. As a result, greater importance was attached to the retention of high quality staff.

Level 3 qualification reform

The Vice Principal provided an update on the latest Department for Education (DfE) announcement regarding planned reforms to level 3 qualifications, specifically with regard to the withdrawal of a large number of BTEC qualifications. The impact on the College's curriculum offer to students was highlighted. A full report would be presented to the full Governing Body at its meeting in March.

The Chair thanked the Internal Auditor and Vice Principal for the update and invited questions.

Q – What is the impact on procurement of the reclassification decision to move colleges into the central government sector?

A – College financial management handbook will be developed later this year, which may clarify requirements.

Q – Are the external auditors well placed to advise on reclassification implications?

A – Yes. They also audit academies and many of the new requirements are similar.

7. RISK MANAGEMENT

7.2 Risk Management Action Plan *(previously circulated)*

The Vice Principal presented the College's risk register and action plan and explained that this was based on the College's Strategic Plan. The risks associated with achievement of key strategic aims and targets had been reviewed in February 2023 by the CMT in its role as the risk management team. The updated plan was presented and significant risks revised as follows:

- recruitment of suitably qualified IT staff
- student recruitment
- financial health
- recruitment of permanent senior leaders within College.

The Vice Principal confirmed that a full report on the impact of student recruitment on College financial health was due to be presented to the Finance and Resources Committee later that week.

In addition, contingent risks had been identified as follows:

- maintenance and restoration of IT systems
- introduction of T Levels.

A number of other low level and housekeeping risks had been identified.

Governors' comments and questions were invited:

Q – What is the potential financial liability should delivery of T Level courses prove unviable again next academic year?

A – No implications in relation to the capital funding. Revenue implications in terms of reduced student funding.

The Committee **noted** the risk register and action plan.

8. ANNUAL REPORTS

8.1 Business Continuity Annual Report *(previously circulated)*

The Vice Principal presented this annual report which had been included in the business cycle as a result of an internal audit recommendation.

The report highlighted the business continuity arrangements in place via the College's Disaster Management Plan and reported on the key incidents during the academic year 2021-22. There was one incident, the cyber-attack in May 2022, which had been reported in full separately at subsequent governor meetings.

The Committee **recommended approval** of the Business Continuity Annual Report to the full Governing Body.

ACTION – FGB item – Business Continuity Annual Report

8.2 Safeguarding College Assets Annual Report *(previously circulated)*

The Vice Principal presented this annual report and referred members to the College's Financial Regulations which outlined the approach to the safeguarding of assets.

The report highlighted key measures in place for the security of the College estate and IT equipment.

The Chair thanked the Vice Principal for her report and noted its contents.

The Committee **recommended approval** of the Safeguarding College Assets Annual Report to the full Governing Body.

ACTION – FGB item – Safeguarding College Assets Annual Report

9. OTHER MATTERS

9.1 Governor Training

None reported

9.2 Any Other Business

None

9.3 Date of Next Meeting

Tuesday 13 June 2023 at 8.20am via Microsoft Teams.

The Chair thanked all members for their attendance and contribution.

The meeting was brought to a close at 9am.

Signed by the Chair: _____



On this day: _____ 13 June 2023 _____