



Minutes of the Audit Committee Meeting held on Tuesday 27 September 2022 at 8.20am via Teams

Present: Mark Dawson (*Parent Governor*)
Susan Jarvis (*Co-opted Governor*) – *joined meeting at 8.30am*
Andrew Jones – Chair (*Co-opted Governor*)
Graeme Slater (*Foundation Governor*)

In attendance: Stephen Pringle (*Wylie Bisset – Internal Auditor*)
Michelle Williams (*Vice Principal, Strategy & Resources*)
Ruth Potter (*Clerk*)

PART 1

The Chair welcomed all attendees and the meeting was opened in prayer at 8.20am.

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**

No apologies for absence were received and 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 14 JUNE 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 considered the action log prepared by the clerk. It was noted that all actions had been closed out.

6. **RISK MANAGEMENT**

6.1 **Risk Management Action Plan** (*previously circulated*)

The Vice Principal presented this report which entailed a review of the Risk Register brought forward from the previous year. It was noted that once the

September self-assessment review process had been completed, new priorities and aims for the 2022-23 academic year would be determined and the Risk Register would be further updated. In the meantime, progress updates were highlighted on the strategic actions taken to mitigate the current risks.

The College management team (CMT) had considered the Register and confirmed the following key risks:

- One significant risk – which had arisen from the cyber-attack and referenced the restoration and maintenance of College IT systems.
- Three contingent risks:
 - (1) recruitment of suitably qualified IT staff due to difficulties surrounding software developer role;
 - (2) T Levels due to decision to withdraw courses this year as a result of unviable, low student enrolment numbers;
 - (3) academisation as the Archdiocese's consultation on its academisation strategy was ongoing (deadline for responses 30 September 2022) and the regulations setting out the process for Catholic colleges had not yet been passed.
- Five housekeeping risks:
 - (1) T Levels – finances for capital development and equipment
 - (2) T Levels – active participation in St Helens growth strategy and Liverpool City Region strategic skills plan
 - (3) Green agenda – become leading institution as defined by FE Climate Roadmap
 - (4) Green agenda – to make progress towards net zero by 2030
 - (5) Leadership recruitment – as a result of planned departure of Vice Principal (Curriculum & Quality) following his successful appointment as Principal of another college.

Susan Jarvis joined the meeting at 8.30am.

A discussion ensued and governors questions included:

Q – Regarding T Levels, did the funding agreement stipulate a deadline for when these programmes must be operational?

A – Contract stipulates that recruitment to the programmes must continue for 20 years.

Q – Have other colleges experienced similar difficulties in recruiting students to T Level courses?

A – One other local college has had to withdraw their courses and others have had low levels of recruitment. First T Level results this year were disappointing and this had impacted enrolment.

Q – In relation to the Green agenda, is there scope for greater collaboration with other colleges to secure better, greener deals on utilities, for example?

A – Already use Crown Commercial Services framework agreements for utilities which ensure value for money.

Committee members **recommended approval** of the Risk Management Action Plan.

6.2 **Cyber-attack investigation report** (*previously circulated*)

The Vice Principal presented an update report to governors on issues arising from the cyber-attack in May 2022 and highlighted the following points:

- detailed forensic report had been analysed on College's behalf in order to identify impact on personal data
- subscription to Experian Identity Plus offered to all affected staff and governors in order to help monitor personal data
- additional question included on staff survey regarding cyber-attack – results demonstrated significant impact on staff and action being taken to address issues raised in survey
- summary of action taken to build back college systems
- review of remote access to systems
- insurance claim relating to cyber-attack costs.

The Vice Principal outlined a proposal to commission a specialist external IT review of cyber-security. The proposed scope of the review was agreed by Committee members and possible providers were identified.

Governors' comments and questions were invited.

Q – Has a full brief for the proposed cyber security review been agreed?

A – An example brief had been shared by another college which had experienced a cyber-attack and this would be developed further to meet the College's specific needs.

Q – In relation to system upgrades – how were these identified? Was cost-benefit analysis completed?

A – Advice provided by specialist cyber support team (via insurance) and also by JISC.

Q – Staff wellbeing impacted by attack – how is this being addressed?

A – Staff wellbeing activities have been delivered and these have been reported in full to Quality and Standards Committee. New Assistant Principal in place with responsibility for leading activity in this area.

The Committee:

- **noted** the cyber-attack update report
- **approved** the commission of an external cyber security review.

7. **INTERNAL AUDIT**

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

The Vice Principal provided a progress report on all the recommendations made by the Internal Auditors in respect of the Business Continuity and Strategic Planning audits that had taken place during 2021-22.

With regard to business continuity recommendations with a deadline of December 2022, it was requested that these be extended to Easter 2023 so

that comprehensive consideration of all implications could take place on a team-by-team basis in order to devise appropriate testing scenarios and staff training. Moreover, a College lockdown exercise would not be practicable until such time as all relevant IT systems were fully functional.

With regard to the strategic planning recommendation to develop a dashboard for reporting to governors, this would require software developer input in order to draw reports from Connect and as such an extension to Easter 2023 was requested.

The Committee **noted** the progress reports and **agreed** the proposed extensions.

8. COMPLIANCE

8.1 Provider Financial Assurance Audit *(previously circulated)*

The Vice Principal notified governors that the College had been randomly selected for an Education and Skills Agency (ESFA) assurance review of 2021 to 2022 funding. The audit was currently underway, conducted by PWC on behalf of ESFA. The outcome had not yet been confirmed and would be reported back to the Committee at the next meeting.

Q – Due to the extra burden placed on staff during an already busy term, was any further support required?

A – This would depend on the outcome of the original sample testing as, in the event that errors were found significant additional testing may be required.

ACTION – Report outcome of ESFA’s financial assurance audit at next meeting.

8.2 Regularity Self-Assessment Questionnaire *(previously circulated)*

The Vice Principal presented the College’s draft regularity self-assessment questionnaire for 2021 to 2022 for members’ consideration. The final document must be signed by the College’s accounting officer and Chair of Governors prior to submission to the regularity auditor.

The Committee **approved** the content of the draft regularity self-assessment questionnaire and recommended its signature.

8.3 Code of Governance – annual review of compliance *(previously circulated)*

The Clerk presented updated self-assessment reports for governors’ consideration as follows:

- The UK Corporate Governance Code (up to July 2022)
- Charity Governance Code (from August 2022)

Remedial actions arising from the self-assessment against the Charity Governance Code would be fed into the College’s annual governance self-assessment.

The Committee **noted** and **approved** the self-assessment documentation.

8.4 **Calendar of Business 2022-23** *(previously circulated)*

The Clerk presented this schedule of business for the governing body and its committees for the academic year ahead. One of the Audit Committee's key functions was to assess and provide the Governing Body with an opinion on the adequacy and effectiveness of the College's assurance arrangements, assurance over sub-contracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets. Members considered the document and confirmed its contents.

The Committee **approved** the Calendar of Business 2022-23.

9. **POLICIES**

9.1 **Anti-Corruption and Bribery Policy** *(previously circulated)*

9.2 **Counter Fraud Policy** *(previously circulated)*

The Vice Principal reported that the College's previous policies – the Anti-Bribery Policy and the Fraud and Corruption Policy – had been completely revised in line with Post-16 Audit Code of Practice requirements and sector best practice. As a result, presented for consideration were two new policies – the Anti-Corruption and Bribery Policy and the Counter Fraud Policy.

The Counter Fraud Policy set out the College's counter fraud strategy and included a fraud response plan and completed anti-fraud checklist for 2021-22. Staff training would be required in order to launch the policy should it receive governors' approval.

Discussion took place and it was noted that the input of the Internal Auditor when discussing emerging sector trends – especially with regard to fraud – would continue to be valuable.

The Committee **recommended approval** of the Anti-Corruption and Bribery Policy and the Counter Fraud Policy to the Full Governing Body.

**ACTION – (a) FGB agenda item
(b) Staff training to support roll out of new policies**

9.3 **Whistleblowing Policy** *(previously circulated)*

The Vice Principal presented this policy which was due for biennial review. The policy had been updated to reflect best practice.

The Committee **recommended approval** of the Whistleblowing Policy to the Full Governing Body.

ACTION – FGB agenda item

10. **COMMITTEE EFFECTIVENESS**

10.1 **Review of Committee Cycle of Business** *(previously circulated)*

The Clerk referred members to the Committee's cycle of business and highlighted recent amendments. Committee business would be planned in accordance with this document and in response to arising needs.

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

10.2 **Review of Committee Terms of Reference** *(previously circulated)*

The Chair invited Committee members to conduct an annual review of the current Terms of Reference to determine whether these remained fit for purpose.

The Committee **noted** the Terms of Reference and **confirmed** that no changes were required.

10.3 **Review of Committee's Key Performance Indicators (KPIs) 2021-22** *(previously circulated)*

The Chair advised governors that the Committee was required to review its own performance annually and presented an analysis of performance against agreed KPIs from the previous academic year.

It was noted that all KPIs had been achieved.

Governors **noted** and **agreed** the analysis report on KPIs for 2021-2.

10.4 **Approval of Committee's Key Performance Indicators (KPIs) for 2022-23** *(previously circulated)*

The Chair referred members to the draft KPIs for the year ahead and invited any comments.

The Committee **approved** the key performance indicators for 2022-23.

10.5 **Review of Committee Skills Analysis and Training Plan** *(previously circulated)*

The Clerk presented an anonymised analysis of the 2022 skills audit responses for Audit Committee members. It was noted that the average score for all questions was three or above. As a result, no significant skills gaps were evident on the Committee, however it remained the Committee's intention to further strengthen membership by appointing an individual with professional financial expertise.

In the meantime, members were invited to consider the training and development opportunities available via the Sixth Form College Association (SFCA) governance webinar programme and the Education and Training Foundation (ETF) Governance Development Programme. In particular, members' attention was drawn to the SFCA governance webinar on 'Audit 2023' due to take place on 12 December 2022.

In addition, risk management training was scheduled for delivery by the Internal Auditor in advance of the next Committee meeting.

The Committee **noted** the contents of the report and **agreed** to review the training and development opportunities available and access these in line with individual needs.

11. ANNUAL REPORTS

11.1 Audit Committee Annual Report 2021-22 (previously enclosed)

The Chair presented the draft Audit Committee Annual Report which was a statutory requirement of the Post-16 Audit Code of Practice. The draft report had been prepared by the Clerk in consultation with the Chair of the Audit Committee. Responsibility for the content of the report rested with the Audit Committee and members confirmed that no amendments were required.

The Committee **recommended approval** of the Audit Committee Annual Report 2022-23 to the Full Governing Body.

ACTION – Clerk to add Audit Committee Annual Report to FGB agenda.

12. OTHER MATTERS

12.1 Future Agenda Items

Risk management training

This was scheduled to take place immediately prior to the next Committee meeting on 22 November 2022. The Internal Auditor would be delivering this training and governors requested that it be tailored to the College's own risk register and risk management processes. In addition, governors requested that any reading material to support the training session be circulated in advance.

ACTION – Internal Auditor to prepare Risk Management training in line with governors' requirements.

12.2 Governor Training

None recorded.

12.3 Any Other Business

None

12.4 Date of Next Meeting

Tuesday 22 November 2022 at 8am via Microsoft Teams.

The Chair thanked all members for their attendance and contribution.

The meeting was brought to a close at 9.05am.

Signed by the Chair: _____



On this day: _____ 22 November 2022 _____