



Minutes of the Audit Committee Meeting held on Tuesday 26 September 2023 at 8.30am via Teams

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

PART 1

The Chair welcomed all attendees and the meeting was opened in prayer at 8.30am.

1. ROUTINE AND STANDING ITEMS

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.

1.2 Apologies for absence

Apologies had been received from Mark Dawson who was stuck in traffic and would join the meeting as soon as possible. The meeting was declared quorate.

1.3 Items to be included under any other business

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

1.4 Minutes of the Audit Committee meeting held on 13 June 2023 (*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.

1.5 Matters arising from the minutes (*previously circulated*)

Committee members considered the action log prepared by the clerk.

2. RISK MANAGEMENT

2.1 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 self-assessment review (SAR) process had been completed, new priorities and aims for the 2023-24 academic year would be determined and the Risk Register would

be further updated. In the meantime, the Vice Principal updated governors on the following key risks and associated mitigating actions:

- Two significant risks:
 - (1) student recruitment – close monitoring of recruitment against target was taking place by the Senior Leadership Team (SLT) in the lead up to census date;
 - (2) financial health – number of changes to financial plan since August, all reported to Finance and Resources Committee the previous week. Financial health grading of 'Good' maintained.
- Seven contingent risks:
 - (1) marketing and liaison (contingent subsidiary risk to student recruitment significant risk);
 - (2) implementation of CEDAR;
 - (3) re-development of Moodle VLE;
 - (4) academisation;
 - (5) leadership and governance – revised SLT structure from August;
 - (6) recruitment and retention of high-quality workforce – challenges reported with regard to recruiting staff to certain teaching and support staff roles;
 - (7) T Levels – failed to recruit to current programmes at viable levels for second year running. SLT reviewed curriculum, benchmarked with other providers and considering alternative programmes for next year.

The Chair thanked the Vice Principal for the re-designed report on the Risk Register. A discussion ensued regarding the key risks and governors' questions included:

Q – Contingent risk, recruitment of staff. What mitigating arrangements are in place? Should this be a significant risk given the potential delivery challenges in the event of unexpected absence?

A – Short-term cover arrangements in place via existing staff where possible, and go out to agency if required. Currently reviewing advertising strategy for certain vacancies to ensure this is targeted effectively. SLT did consider whether to categorise as a significant risk, however all bar two roles had been covered. If challenges persist as the year progresses, then would consider upgrading to significant risk.

Q – Were any risks associated with agency cover not being available at short notice?

A – Depends on the specific role and circumstances. Some present more of a risk than others, hence the inclusion of this area on the risk register. In addition, Finance & Resources Committee consider annual staff absence and recruitment reports in order to monitor key issues and trends.

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

2.2 **JISC Cyber Security Action Plan – update report** *(previously circulated)*

The IT Manager presented this report and updated governors on progress made against the action plan. It was noted that overall progress against the full plan stood at 80%. Detailed updates were provided on all specific actions and it was reported that the anticipated completion date for all actions was February 2024.

With regard to third party penetration testing, it was reported that the IT Manager would undergo ethical hacker training which would certify him to do such testing. However, in order to gain the necessary external assurance, it was proposed to invite JISC back in the Spring Term 2024 to undertake a follow up review.

The Chair thanked the IT Manager for his report and reiterated his request for actual costs to be included in future action logs. Discussion ensued and governors' comments and questions were invited.

Q – Ethical hacking training for IT Manager: would the usual segregation of duties guidance apply here? Would external assurance of systems continue to take place?

A – Yes, external assurance would continue to take place. Training is to ensure better awareness of potential issues.

Q – How frequently would external assurance be sought?

A – For the College to determine, potentially annually or biennially. Will seek advice from JISC in Spring regarding sector best practice.

The Committee **noted** the JISC Cyber Security Action Plan update report.

ACTION – Update JISC Cyber Security Action Plan to include costs attributable to each action.

Kevin Burke left the meeting at this point.

3. INTERNAL AUDIT

3.1 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 following internal audits:

- Business Continuity
- Mental Health and Wellbeing
- Procurement and Contract Management
- Special Educational Needs and Learning Support.

With regard to business continuity recommendations, training had been delivered to all staff in July 2023 on business continuity and lockdown processes. In terms of actual lockdown practice, plans were in place for scenario testing this term.

A Staff Mental Health and Wellbeing Policy had been drafted and reviewed by College solicitors and the joint union forum. This would be presented to the next Quality and Standards Committee for approval.

All actions pertaining to Procurement and Contract Management and Special Educational Needs audits were reported as completed.

The Chair thanked the Vice Principal for her report and the Committee **noted** the updates.

4. COMPLIANCE

4.1 **Draft Regularity Self-Assessment Questionnaire** *(previously circulated)*

The Vice Principal presented the College's draft regularity self-assessment questionnaire for 2022 to 2023 for members' consideration. It was reported that the questionnaire was supported by a file of evidence that was reviewed by the external auditor as part of the regularity process. 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 by the Chair of Governors.

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

The Clerk presented an updated self-assessment report against the principles of good governance set out within the Charity Governance Code. Whilst a small number of areas were RAG rated amber in the report, these reflected a desire to continually improve and strengthen compliance.

Discussion ensued on the progress made during the year to strengthen governance in certain areas. In addition, it was noted that there were appropriate cross-references with the Code in the Governance Self-Assessment Report (SAR) and Quality Improvement Plan (QIP). The QIP was the main vehicle for driving forward improvements in governance and progress updates against the action plan were presented to the Governing Body each term.

Governors noted that the external governance review scheduled to take place in Spring 2024 would be based broadly on the code of governance followed by the College.

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

4.3 **Calendar of Business 2023-24** *(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 2023-24.

5. ANNUAL REPORTS

5.1 **Audit Committee Annual Report 2022-23** *(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, following due consideration, 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.

6. COMMITTEE EFFECTIVENESS

6.1 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 Clerk highlighted the area of Data Protection and Freedom of Information (FOI) and indicated that review of the associated College policies – together with an annual report on any data protection incidents or FOI requests – would align with the Committee's assurance role. Previously these policies had been reviewed by the Quality and Standards Committee. The Internal Auditor confirmed that this was an appropriate function of the Audit Committee.

It was noted that Business Continuity and IT Disaster Management policies would also fall under the remit of the Audit Committee.

The Clerk confirmed that this exercise was focussed on allocating business to the most appropriate Committee in accordance with the existing Terms of Reference.

Discussion ensued on the assurance strategy for cyber-security and the most appropriate point in the cycle for this to take place. The JISC follow-up review would be conducted in Spring and then reported to the Committee at the first meeting thereafter. Following this, the ongoing cycle of assurance would be determined.

The Committee:

- **noted** the contents of the document
- **agreed** that Data Protection, Freedom of Information, Business Continuity and IT Disaster Management should be included within its cycle of business.

ACTION – Determine ongoing assurance cycle with regard to cyber-security strategy following JISC follow up review.

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

The Clerk invited Committee members to conduct an annual review of the current Terms of Reference to determine whether these remained fit for purpose. She highlighted some minor changes in terminology that would be required to accurately reflect the new SLT structure. Should members agree, these amendments would be referred to Search Committee for review and then onwards to the full Governing Body for approval.

The Committee **agreed** to the proposed minor amendment to the Terms of Reference.

ACTION – FGB agenda item: proposed amendment to Terms of Reference

6.3 **Review of Committee's Key Performance Indicators (KPIs) 2022-23**

(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 2022-23.

6.4 **Approval of Committee's Key Performance Indicators (KPIs) for 2023-24**

(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 2023-24.

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

The Clerk presented an anonymised analysis of the 2023 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. It was noted that the membership of the Committee had been strengthened in 2023 through the addition of a member with a professional audit background.

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.

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.

7. **OTHER MATTERS**

7.1 **Future Agenda Items**

External Governance Review

The Clerk indicated that the external governance review was scheduled to take place during Spring term 2024. Formal reports would go through Search Committee into the full Governing Body. Should Audit Committee require any specific additional reporting, members were invited to request this from the Clerk.

7.2 **Governor Training**

A training session on 'Fraud Awareness' had been delivered by the Internal Auditor to Committee members prior to the meeting. The Clerk would update members' training records accordingly.

7.3 **Any Other Business**

None

7.4 Date of Next Meeting

Tuesday 28 November 2023 at 8am via Microsoft Teams.

Following the Part 1 meeting, governors approved the Part 2 confidential minutes of the Audit Committee meeting held on 13 June 2023 as a correct record. These would be signed by the Chair in accordance with Article 12 (3) of the Articles of Government. There was no other Part 2 business to discuss.

The Chair thanked all members for their attendance and contribution.

The meeting was brought to a close at 9.30am.

Signed by the Chair: _____



Andrew Jones

On this day: _____

28 November 2023