

## Minutes of a Meeting of the AUDIT COMMITTEE held on Wednesday 12 October 2022 at 12.00 pm via Teams

### **41/22 APOLOGIES AND WELCOME**

Apologies were received from Ms Charmian Messenger, Mrs Tracy Bull, Ms Frances Millar, and Ms Melanie Weston. Mr Trevor Nicholas was welcomed to the meeting as an observer and potential co-opted member. Mr Gordon Pownall was stepping down from the Committee. Mrs Christine Palmer in the Chair, recorded thanks for Mr Pownall for his contribution to the Audit Committee.

### **42/22 DECLARATIONS OF INTEREST**

There were no declarations of interest.

WITH THE AGREEMENT OF THE CHAIR THE AGENDA WAS TAKEN OUT OF ORDER.

### **43/22 GDPR DATA BREACHES**

Ms Dawn Smart, Data Protection Officer, joined the meeting for this item only and presented the report on GDPR data breaches.

Two data breaches were reported on and in both instances Ms Smart had addressed with the staff concerned. She confirmed that all staff had received data protection training at the recent Staff Development Day in August 2022.

In response to a query from the Chair, it was confirmed that GDPR training had been provided to Governors.

The Committee NOTED the report.

Ms Smart left the meeting.

### **43/22 APPROVAL OF THE NON-CONFIDENTIAL MINUTES OF THE MEETING OF 15 JUNE 2022**

The minutes were APPROVED as a true record of the meeting.

### **44/22 MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 15 JUNE 2022**

The Director of Governance reported on Matters Arising:

MINUTE 21/22: MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 2 MARCH 2022: POLICY RENEWAL REPORT: The GDPR Policy was reviewed and approved by Corporation at its meeting on 13 July 2022. The College website has been amended to indicate policies reviewed by the Corporation.

MINUTE 21/22: MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 2 MARCH 2022: ANNUAL REVIEW OF CONTRACT: The Director of Governance in liaison with the Director of Finance will begin the tendering process in January 2023.

MINUTE 23/22: RISK REGISTER: Following liaison between the Director of Governance, Chair and Vice Chair of the Audit Committee, and the Assistant Principal (Finance & Resources), the Register has been amended

with reference to increased risk at 4.24 (changes in personnel at executive level could disrupt management of the College).

MINUTE 24/22: EMERGING ISSUES IN FE: The report has been circulated to all Governors.

MINUTE 25/22: BUSINESS CONTINUITY PLAN: The plan was circulated and approved by Corporation.

MINUTE 26/22: EXTERNAL AUDIT PLANNING MEMORANDUM: Audit Code of Practice on agenda of this meeting.

MINUTE 28/22: INTERNAL AUDIT 2021/22 – VISIT 2 REPORT: The Director of Governance liaised with Ms Weston of Southern Internal Audit Partnership regarding questions raised by Audit Committee in relation to patching, penetration testing, and phishing testing. The response is provided in the paper pack.

A Member expressed thanks that actions had been followed through.

The Committee NOTED the report.

#### **45/22 COLLEGE BOARD ASSURANCE FRAMEWORK: RISK MANAGEMENT ANNUAL REPORT**

The Assistant Principal (Finance & Curriculum) presented the Risk Management Annual Report. He outlined the process and methodology. Risks identified as high were: student progress in maths; recruitment (income) forecasts; unregulated 14-16 provision; and higher than forecast costs (eg utilities). Priorities for development identified as: a review of risk scores that have remained static; moderating scoring to ensure consistency; independent meetings with risk owners; and further transition of responsibility for risk management and development to the Director of Finance.

In response to a query from a Member, the Assistant Principal confirmed that the words 'Risk Register' were missing from bullet point 4 on the 1<sup>st</sup> page of the report.

A Member expressed their consistent reassurance with the thorough process operated.

The Committee NOTED the report.

#### **46/22 UPDATED COLLEGE RISK REGISTER**

The Assistant Principal (Finance & Resources) presented the updated Risk Register.

A Member queried whether there was a lack of allocation of responsibilities about ownership of Copyright Designs and Patents Act, and whether there was a risk of insufficient delivery of quality improvement plans and recognition of this in the Register going forward. The Assistant Principal reported that he would include this point at the next meeting reviewing risk and would respond to the question raised having considered in the round. He confirmed that the College was fully compliant regards copyright ownership as result of requesting auditors to review this in detail. Action from this including updating a job description to include to ensure clarity of responsibility. The Assistant Principal had no concerns about the person with responsibility for this area.

A Member noted that on page 16 at 1.6 risk regarding students failing to achieve sufficient progress in maths and English had gone red to score 20 but that the residual risks did not multiply. The Assistant Principal confirmed that the risk was 5 x 4 and this would be amended accordingly. In response to a further question regarding automation of the spreadsheet, the Assistant Principal confirmed that conditional formatting has been removed.

A Member requested that the Register is circulated in Excel format rather than PDF. The Assistant Principal would ensure this going forward.

The Committee NOTED the updated Risk Register.

#### **47/22 AUDIT CODE OF PRACTICE**

The Assistant Principal (Finance & Resources) reported on the updated Audit Code of Practice and the required compliance provisions.

A Member commented that the action points noted alongside the significant changes was helpful.

A Member raised a question on the new requirement to report governor activity. The Director of Governance would liaise with the Director of Finance and report back on this.

The Committee NOTED the report.

#### **48/22 AUDIT ISSUES LOG**

The Assistant Principal (Finance and Resources) reported on the Audit Issues Log. Issues from any audit activity was consolidated in the log and action and progress reported on. Issues coded green would be removed in the next edition. It was expected that issues coded orange would be coded green by the next meeting of the Committee.

A Member queried whether the College required a consumer credit license in instances where the College was allowing payment in instalments over a longer period. The Assistant Principal would liaise with the Director of Finance and report back on this.

The Committee NOTED the report.

#### **49/22 ANNUAL FRAUD REPORT**

The Assistant Principal (Finance & Resources) presented the Annual Fraud Report. During 2021/22 there were 3 instances of potential fraud identified and investigated. It was confirmed that following investigation no fraud was identified.

In response to a request from a Member for further information on one of the instances of potential fraud, the Assistant Principal clarified that the complaint related to the restaurant and was received from a customer that had believed funds being raised for students were intended for their charity. The Assistant Principal reported that the complaint had been dealt with to the complainant's satisfaction.

It was confirmed that in each instance of potential fraud, representatives of the Finance department had met with the staff concerned with a view to preventing a reoccurrence.

The Chair noted the strong processes in place. The Assistant Principal was thanked for providing clarity.

The Committee NOTED the report.

#### **50/22 STAFF REWARDS 2021/22 REPORT (CONFIDENTIAL)**

The former Principal had implemented staff rewards to recognise long service or performance beyond the call of duty. Nominations were received and rewards approved by the Principal and Assistant Principal (Finance & Resources). The scheme was well-received by staff.

A Member raised a query regarding reporting of College restaurant vouchers presented to Governors on the interview panel for the appointment of the new Principal. The Assistant Principal would refer the query to the Director of Finance and report back on this.

#### **51/22 REVIEW OF REGISTER OF INTERESTS/ DECLARATION OF ELIGIBILITY**

The Director of Governance reported on the Register of Interests and Declarations of Eligibility. She confirmed that all Governors and relevant College Managers had updated and returned their Register of Interests and Declaration of Eligibility during July-October 2022. There were no material conflicts of interest.

The Committee NOTED the report.

#### **53/22 AUDIT COMMITTEE TERMS OF REFERENCE**

The Director of Governance reported on the Audit Committee Terms of Reference which had been reviewed and amended following revisions in April and September 2022 to the Post 16 Audit Code of Practice.

A Member noted an historic reference to the Clerk. The Director of Governance confirmed that this would be amended to Director of Governance.

The Committee CONSIDERED the report and RECOMMENDED the Audit Committee Terms of Reference to the Corporation for APPROVAL.

#### **54/22 ANY OTHER BUSINESS**

The Chair requested an update on the current situation with COVID-19 in the College. The Principal reported an increase in cases with 16 students positive and 30 students with symptoms. There were 5 staff tested positive. Staff were working from home in some instances and therefore the absence statistics did not necessarily reflect the number of COVID cases. The situation was being monitored on a daily basis. It was noted that there would be further discussion on this at Corporation in relation to revisions to the Health and Safety Policy. The Assistant Principal (Finance & Resources) confirmed that risk assessments and processes for COVID-19 in the College remain in place.

#### **55/22 ITEMS FOR MEETING 1<sup>st</sup> DECEMBER 2022**

Members noted the items of business for the next meeting.

In response to a query from a Member, the Assistant Principal (Finance & Resources) confirmed that auditing for the Annual Accounts and Financial Statements was ongoing and on track.

#### **56/22 DATE OF NEXT MEETING**

Wednesday, 1 December 2022, 16.00, College Business Centre.