



MINUTES OF THE AUDIT COMMITTEE MEETING

Thursday 8 June 2023 at 6.00pm
Meeting held via Microsoft Teams

Present:

Mark Nelligan (Chair)
Andy McVeigh
Stephanie Fudge
Natasha Meade
Fran Stewart

Scott McCready – Internal Auditor

Stephanie Wiles, Director of Finance and Estates (Advising Officer)
Dan Hards, Principal (Advising Officer)
Daniel Loughlin, IT Director (Advising Officer)
Catherine Davies, (Clerk)

1. REGISTER OF INTERESTS

There were no declarations of business interests.

2. APOLOGIES FOR ABSENCE

Apologies were received and accepted from Ben Obese-Jecty.

3. MINUTES OF THE LAST MEETING HELD ON 9TH NOVEMBER 2022

The minutes of the previous meeting of 9th November 2022 were approved as an accurate record.

4. MATTERS ARISING

There were no matters arising.

5. AUDIT REPORTS

The Internal Auditor introduced the Internal Audit reports.

5.1 Budgetary and Financial Reporting. The audit provided “Strong” assurance and made 1 low level recommendation relating to the budget holder questionnaire.

The Director of Finance and Estates noted that she will ensure the budget holders confirm they have received budgetary information going forward.

5.2 IT Systems. The audit provided “Substantial” assurance and made 1 medium level recommendation related to the Disaster Recovery testing. 12 areas of good practice were highlighted.

The Internal Auditor noted that the Management Response was overdue and the Chair suggested that as the report is incomplete it will be reviewed again at a later date.

Action: IT Systems Report to be reviewed again once complete.

5.3 Student Recruitment. The audit provided “Strong” assurance and there were no recommendations. 12 areas of good practice were highlighted. The Chair congratulated the College on the excellent report.

5.4 Follow up Review. The follow up review provided “Strong” assurance and made 2 low level recommendations relating to 2 recommendations still to be implemented.

The Chair discussed the recommendation still to be implemented concerning the agreed level of risk appetite. The Internal Auditor recommended the College defines their risk appetite for each risk or risk categories within the College, and the Risk Management Policy should be updated to reflect this. The Chair and Trustees discussed the challenge of implementing the recommendation and asked the Internal Auditor to provide an anonymised example from another College which defines their risk in a way that meets the Internal Auditor's recommendation. The Director of Finance and Estates noted that the Risk Management Policy is due for review in 2024 and the Internal Auditor's recommendation will also be considered at the point of review.

Action: The Internal Auditor agreed to send the Director of Finance and Estates an anonymised example from another College who defines their risk in a way that meets the Internal Auditor's recommendation.

6. ANNUAL AUDIT PLAN

The Internal Auditor proposed the following areas for audit in 23/24:

- Funding Review
- Overall Financial controls
- Business Continuity
- Follow up Review

The Director of Finance and Estates briefed the Committee that her department had already been the focus of several internal audits and asked that an internal audit of Overall Financial Controls be re-considered. The Chair asked the Internal Auditor to suggest other areas that could be considered and following a discussion, the Principal asked the Committee to consider Staff Recruitment and Retention as an area for audit in 23/24 and the Committee agreed.

The Committee agreed on the following areas for internal audit in 23/24:

- Funding Review
- Staff Recruitment and Retention

- Business Continuity
- Follow up Review

Action: Internal Auditor to provide an updated scope of annual audit plan to the Director of Finance and Estates.

The Committee approved the plan with the revised scope.

7. **PLANNING FOR FINANCIAL STATEMENTS AND REGULARITY AUDIT**

The Chair briefed the Board on the process to appoint Buzzacott as External Auditors. The recommendation was ratified by the Members on the 18th April 2023.

The Committee reviewed the External Auditor Plan and noted the timetable and costs.

A Trustee asked for more details concerning an on-going legal issue regarding a Duke of Edinburgh trip that was cancelled due to the pandemic. The Principal and Director of Finance and Estates assured the Committee that whilst the legal issue is complex, the parents who had directly paid the travel company are aware of the legal process and are being kept informed. The Director of Finance and Estates added that the External Auditors will be fully briefed on the issue.

A Trustee asked the Director of Finance and Estates about Appendix 3: Trustees' Responsibilities and in particular Public Benefit. The Director of Finance and Estates replied that the Trustees comply with their duty to have due regard to the guidance on public benefit published by the Charity Commission in many ways including educating local students aged 16-18 and letting the College facilities to the community. Another Trustee added that support given to students via bursaries demonstrates public benefit too.

The Committee approved the plan.

8 **REVIEW OF FINANCIAL REGULATIONS**

The Director of Finance and Estates introduced the Financial Regulations June 2023. There have been extensive changes made to the Regulations since the last review in 2020 and these reflect changes in the Academy Trust Handbook. Amendments include a new section on Members, DBS checks and Trustee Responsibilities.

The Director of Finance and Estates asked for an additional amendment to be made to the Appendix C Financial Scheme of Delegation to increase the number of people who are List A cheque signatories to include the Principal, Deputy Principal, Director of Finance and Estates, Senior Leadership Team and IT Director.

The Committee recommended the Financial Regulations (including the amendment to cheque signatories) to the Board of Trustees.

The Committee thanked the Director of Finance and Estates and her team for their hard work in drawing up the revised Regulations.

Action: Clerk to ensure updated version of Financial Regulations is circulated to Board at next meeting.

9 STRATEGIC RISK REGISTER UPDATE

The Principal introduced the risk register. He highlighted several changes:

Risk 1- Following the successful visit by Ofsted and Outstanding rating and the appointment of the Deputy Principal (who will undertake training as appropriate), the Committee agreed to keep the gross and net scores unchanged.

Risk 2 – The Principal noted the impact of the pandemic on 6.2 students who are sitting external examinations for the first time this summer and 6.1 students who had a disrupted education in Years 9 and 10. The Chair questioned when the risk would be removed and the Principal replied that with the ending of the National Tuition Funding (funding to mitigate the disruption to learning arising from the pandemic) in 2024/25 the risk could be considered for removal. The Committee agreed to keep the gross and net scores unchanged.

Risk 3 – The Principal noted that a planning application to build additional classrooms will be submitted soon. This space will ensure there are adequate learning areas for the current student roll. The Committee agreed to keep the gross and net scores unchanged.

Risk 4 – The Principal has re-drafted the statement to reflect the level of acceptance of the reforms for BTEC's with only 1 BTEC being able to be taken alongside 2 A levels. The Committee agreed to raise the gross and net likelihood scores but decrease net impact due to provisional plans in place.

Risk 5 – The Committee agreed to keep the gross and net scores unchanged.

Risk 6 - The Committee agreed to keep the gross and net scores unchanged.

Risk 7 - The Committee agreed to keep the gross and net scores unchanged.

Risk 8 – The Principal noted the increased likelihood of a cyber attack but the continued monitoring of the IT security risk register and controls keep the net impact unchanged. The Committee agreed to increase the gross likelihood score and keep the net likelihood score and impact scores unchanged.

A Trustee asked if Artificial Intelligence should be included in the Risk Register and the Principal replied that the College is aware of the impact of AI and he will add AI to the Risk Register at the next review.

Risk 9 – The Committee agreed to keep the gross and net scores unchanged.

Risk 10 - The Committee agreed to keep the gross and net scores unchanged.

Risk 11 - The Principal updated the Committee on the leadership training the SLT is undertaking. The gross impact score has been increased but the net impact score remains the same and the Committee agreed to the change.

The Committee approved the Strategic Risk Register.

10 DISASTER MANAGEMENT STRATEGY 2023

The Principal introduced the Disaster Management Strategy 2023. There are minimal changes from the previous version apart from in Appendix 4 where the Guidelines for responding to a fatality for a student or a member of staff have been revised.

The Chair asked for clarification of where Disaster Recovery falls and the Principal replied that the Disaster Recovery Policy contains specific information relating to IT and the upcoming internal audit on Business Continuity will ensure that the Disaster Management Strategy and Disaster Recovery Policy cover all relevant areas.

The Committee congratulated the Director of IT and his team on the achievement of gaining the Cyber Essentials and Cyber Essentials Plus certification.

The Committee approved the Strategy.

11 ANY OTHER BUSINESS

None

12 DATE OF NEXT MEETING

Tuesday 14th November 2023 TBC

*The meeting closed at 7.45pm
Attendance was 83%.*

Signed.....

Date.....

SUMMARY OF ACTIONS

A2-001	IT Systems Report to be reviewed again once complete.
A2-002	The Internal Auditor agreed to send the Director of Finance and Estates an anonymised example from another College who defines their risk in a way that meets the Internal Auditor's recommendation.
A2-003	Internal Auditor to provide an updated scope of annual audit plan to the Director of Finance and Estates.
A2-004	Clerk to ensure updated version of Financial Regulations is circulated to Board at next meeting.

SUMMARY OF GOVERNOR CHALLENGE [C] / SUPPORT [S]

C/S	Minute	Topic
S	8	The Committee thanked the Director of Finance and Estates and her team for their hard work in drawing up the revised Regulations.
C	9	The Chair asked when Risk 2 would be removed from the Register.
C	9	A Trustee asked if AI should be added to the Risk Register.
S	10	The Committee congratulated the Director of IT and his team on the achievement of gaining the Cyber Essentials and Cyber Essentials Plus certification.