



Minutes of the Audit Committee Meeting held on Tuesday 12 March 2024 at 8.20am via Teams

- Present:** Mark Dawson (*Parent Governor*)
Sue Jarvis (*Co-opted Governor*)
Andrew Jones – Chair (*Co-opted Governor*)
Graeme Slater (*Foundation Governor*)
- In attendance:** Scott McCready (*Wylie Bisset – Internal Auditor*)
Michelle Williams (*Vice Principal, Finance, Resources & Systems*)
Kev Burke (*IT Manager*)
Ruth Potter (*Clerk*)
Ron Matthews (*External Governance Reviewer*) – observer

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

PART 1

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 made.

1.2 Apologies for absence

All members were present and 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 28 November 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. The Vice Principal provided an update against the actions, confirming that most actions had been completed or were on the agenda for further discussion. With regard to the ongoing assurance cycle for cyber security, it was noted that this was yet to be finalised as external assurance and assessment options continued to be explored.

2. INTERNAL AUDIT

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

The Vice Principal presented this report which was designed to give governors oversight of management action taken in response to all previous internal audit recommendations. It was noted that one recommendation arising from the Business Continuity review undertaken in May 2022 had been outstanding at the last meeting. The Vice Principal reported that progress against this action had originally been delayed due to prioritisation of the College's response to the cyber-attack in May 2022.

Action taken to train staff on the updated business continuity arrangements and undertake scenario testing was reported. It was noted that two specific scenarios had been tested: cyber-attack and on-site physical attack. The latter had involved development of cross-college communication systems for College-wide alerts and had been tested with both staff and students on-site. As such, the Vice Principal reported that action in relation to this outstanding recommendation was now complete and periodic testing of the College's disaster management arrangements would fall into business as usual activity.

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

Q – The cyber-attack in 2022 took place out of hours. Had the IT systems response been tested out of hours?

A – Out of hours IT monitoring and response was provided by an external company 24 hours a day. The provider had been instructed to respond to issues first and then inform the College. This had already been put to the test with some lower level issues that had been responded to quickly and appropriately by the provider who then notified the College.

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

2.2 Payroll Report (*previously circulated*)

The Internal Auditor, Scott McCready of Wylie Bisset, presented this report and outlined the purpose of the review which was to consider the College's payroll process and ensure that this was operating as expected with appropriate controls in place. The scope of the review was highlighted alongside the audit methodology.

A total of two low grade recommendations had been raised. There were also a number of areas of good practice highlighted within the report. The Internal Audit opinion stated that the Governing Body could take strong assurance that appropriate payroll arrangements were in place. Benchmarking data from other similar audits was highlighted.

The Vice Principal confirmed that in relation to the second recommendation to formalise the rules regarding overtime for senior management, members of the Senior Leadership Team (SLT) did not claim overtime payments and relevant paperwork would explicitly reflect this practice in future.

Following discussion the Committee **noted** the contents of the report.

2.3 **Climate Change Report** *(previously circulated)*

The Internal Auditor presented this report and outlined the purpose of the review which was to assess the arrangements in place for the College's monitoring and reporting against environmental targets. The scope of the review was highlighted alongside the audit methodology.

A total of two recommendations had been raised, one medium grade and one low grade. There were also a number of areas of good practice highlighted within the report. The Internal Audit opinion stated that the Governing Body could take substantial assurance surrounding the processes in place to manage the monitoring and reporting of environmental targets. In addition, the latest reduction in the College's emissions was noted. Benchmarking data from other similar audits was highlighted with regard to the number and nature of recommendations raised.

The Vice Principal reported on the work of the College's Sustainability Committee and the plans to offer students a sustainability-themed enrichment activity this year.

Following discuss the Committee **noted** the contents of the report.

2.4 **Sector Update**

The Internal Auditor provided a verbal update on pervading sector issues including:

- cyber security
- fraud
- staff recruitment and retention.

The Vice Principal updated governors on the current College position with regard to these key issues, reporting specifically on fraud awareness training for staff, staff recruitment challenges, and staff wellbeing strategy.

The Internal Auditor agreed to report back to the next meeting on key themes emerging from the ESFA provider assurance audits that Wylie Bisset had been completing across the sector.

ACTION – Update report on emerging themes from ESFA audit activity

3. **RISK MANAGEMENT AND ASSURANCE**

3.1 **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 completion against plan stood at 92%. Extensive training for the IT Team over recent months had helped to address a number of areas.

Updates were provided on specific actions including: patch management process, encryption, device management, offsite backup, and the new cloud-based ticketing system. In addition, an update was provided on actions related to management of the Microsoft 365 estate for which completion against plan stood at over 90%.

The IT Manager and Vice Principal reported back to governors on the options being explored for ongoing assurance and testing and the potential costs associated with these. It was reported that a final decision had not yet been made on the most appropriate cycle of assurance activity. This would be reported back to governors at the next meeting.

The Chair thanked the IT Manager for his update report and invited governors' questions and comments.

Q – Had data protection impact assessments (DPIAs) been completed on major changes to IT systems?

A – DPIAs completed for newly introduced systems but not when there were changes to existing systems. Would consider DPIA requirements with respect to system changes.

Q – Budget allocation sufficient to cover ongoing assurance and assessment costs?

A – SLT considering budgetary impact of options under investigation.

Discussion ensued on the need to balance the costs of regular external assessment and testing against the risk to the College of another attack. Whilst no final decision had been made yet, all agreed on the importance of determining a regular and robust process.

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

3.2 **Risk Management Register and Action Plan** (*previously circulated*)

The Vice Principal presented the College's risk register and action plan and confirmed that SLT had considered this in detail and updated the document as required.

One significant risk remained on the register regarding progress against ILT strategy and tracking of student progress and applications. It was explained that this risk was linked to the change in virtual learning environment (VLE) last year following the implementation of Cedar from September 2023. The College was in the process of moving the student admissions system onto the new VLE and there were risks inherent with this. Mitigating actions were highlighted and it was reported that a new MIS Manager was now in post. In addition, support continued from a specialist consultant with experience of relevant systems.

The Vice Principal reported contingent risks as follows:

- implementation of Cedar and development of reporting capabilities
- financial health
- academisation
- leadership and governance under revised SLT structure
- curriculum impact of government policy and level 3 qualifications reform
- staff recruitment and retention.

Updates were provided against each contingent risk and the actions taken and planned to mitigate these where possible.

The Vice Principal referred governors to the Sixth Form College Association (SFCA) sector risk register which provided an overview of sector-wide key risks. She confirmed that SLT had considered this document in the context of Carmel College and proceeded to highlight the key risks within the document that were most pertinent. These included:

- government's focus on skills agenda
- introduction of T Levels
- de-funding of BTECs
- ONS reclassification implications
- economic climate
- student mental and emotional ill health
- increase in requests for special access arrangements in exams
- developments in artificial intelligence (AI)
- teacher recruitment difficulties
- leadership recruitment difficulties.

The Vice Principal reported that SLT would keep a watching brief on all risks contained within the SFCA's sector register and consider whether any further updates were required to the College's risk register.

The Committee **noted** the updated Risk Register and the management actions put in place to mitigate risk.

4. ANNUAL REPORTS

4.1 Business Continuity Annual Report *(previously circulated)*

The Vice Principal presented this annual report which highlighted the business continuity arrangements in place via the College's Business Continuity Plan and IT Disaster Recovery Plan and reported on the business interruptions that had arisen during the academic year 2022-2023.

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

ACTION – FGB item – Business Continuity Annual Report

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

The Vice Principal presented this annual report and highlighted the range of methods through which the College's assets were protected:

- Financial Regulations
- General Data Protection Regulations
- insurance
- physical measures
- IT security measures.

The Chair thanked the Vice Principal for her report and noted its contents. Discussion ensued on arrangements for out-of-hours security with regard to the physical College estate.

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

ACTION – FGB item – Safeguarding College Assets Annual Report

5. OTHER MATTERS

5.1 Governor Training

No training was reported. It was agreed that the Chair and Clerk would meet to consider potential training session to take place prior to the next Audit Committee meeting.

ACTION – Chair and Clerk to consider training opportunity prior to Summer Term meeting

5.2 Any Other Business

None

5.3 Date of Next Meeting

Tuesday 11 June 2024 at 8.20am via Microsoft Teams.

The Chair thanked all members for their attendance and contribution.

The meeting was brought to a close at 9.10am.

Signed by the Chair:  _____

On this day: _____ 11 June 2024 _____