

**Minutes of the Audit Committee Meeting held in the Innovation Centre on
Wednesday 28th February 2024 at 3.30pm**

Present: Mo Kundi (Independent Member and Committee Chair)
Alex Barton (Independent Member)
Laura Bell (Independent Member)
Diane Hutchinson (Independent Member)
Carla Kennaugh (Associate Member of the Audit Committee)

In Attendance: Paris Bonwick (Vice Principal Business Services) (from item 9)
Jane Butterfield (TIAA) (up to item and including item 16)
Lisa Farnhill (Clerk to the Corporation)
Paula Smith (Dir. Finance)

Apologies: Claire Dalrymple (Wylie and Bisset)

Absent: **None**

*Indicates attending through videoconferencing facilities

Minute No.	Minutes	Action
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A.24.28 ITEM 1: WELCOME AND APOLOGIES FOR ABSENCE

The Chair opened the meeting by thanking everyone for their time and attendance, apologies for the external auditors were detailed.

Item 1 – Accepted

A.24.29 ITEM 2: DECLARATIONS OF INTEREST

The Clerk declared an interest in relation to her role as the DPO.

Item 2 - Noted: The Committee noted the declaration.

A.24.30 ITEM 3: APPROVAL OF THE MINUTES OF THE AUDIT COMMITTEE HELD ON 30th NOVEMBER 2023

Members reviewed the minutes as circulated and agreed that they were an accurate reflection of the meeting held on 6th December 2023.

Item 3: Approved: The Committee resolved to approve the minutes of the Audit Committee meeting held on 6th December 2023.

A.24.31 ITEM 4: REVIEW OF PREVIOUS MEETING: ACTIONS AND IMPACT

The Clerk summarised the report, inviting the Dir. Finance to provide an update on the Fraud Champion appointment. It was confirmed that all actions were now complete, allowing for the signing of the anti-fraud pledge. The Committee Chair confirmed he had met with the Dir. Finance to discuss how to improve reporting.

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No.**

Minutes

Action

Members discussed the update relating to managing risks, including the oversight of staffing risks, endorsing the proposed updated procedure. The Committee Chair, as the link governor for estates, provided the Committee with insights and concerns relating to estates related risks following a recent link visit, noting that there are a number of areas that needed attention that would have health and safety implications, and had not yet been budgeted for.

Members asked about the categorisation of the concerns, if the works were immediate or cyclical and if this had been as a result of an external review, with it clarified it had been, with members indicating this needed to be raised with the Resources Committee to ensure funding allocated, with it proposed this could be included in the health and safety risk register to be drafted by the Vice Principal and presented to the Resources Committee.

VP Bus Serv.

Members discussed the CEFS report, highlighting their discussions had been in depth, with some concerns raised at how little was mentioned within the December Corporation meeting, with reassurances that the subsequent review in the Resources Committee meeting had been equally detailed, with a commitment to oversee the implementation of savings, through new and existing reports.

Members were given an update relating to savings made to date along with the proposed mechanisms for overseeing the implementations of the report's recommendations, agreeing that the detail should remain with Resources and Standards, however proposed a summarised overview should be provided to the Audit Committee for completeness.

Dir. Finance

Members discussed whether this could fit into any other report, linked to the risk register or financial regulations, noting that the college did not provide a 'breaches and waivers' report, with it proposed this could be included in the work plan for the review of the Audit Committee.

Dir. Finance

Members confirmed there were no further actions or matters arising requiring further information.

Item 4 - Resolved: The Committee noted the update, resolving to maintain oversight of progress against the CEFS recommendations, initiate the production of a breaches and waivers report, and recommended alerting the Resources Committee to the need to ensure budgeted provision for estates matters that were a health and safety risk.

A.24.32 ITEM 5: CONFIDENTIAL ITEMS

The Committee confirmed the private conversation between the auditors and governors should be considered confidential; with nothing further needing to be redacted from the approved minutes.

The Committee confirmed the performance of the auditors should be discussed without the presence of the auditors.

Item 5 – Approved: The Committee resolved to approve the minutes for publication with the exception of details of discussions from the private meeting between governors and auditors.

A.24.33 ITEM 6: KPI SCORECARD

The Clerk, as DPO, confirmed the item was for information, to be used to support and direct discussions and to highlight areas of risk or declining performance, explaining it was

considered difficult to target GDPR KPI's, however, would be flagged as amber or red if there were concerns relating to fulfilling statutory requirements due to increased demand, or if any deadlines were missed.

Members queried whether the health and safety figures were isolated monthly statistics or cumulative, which was clarified with the Vice Principal Business Services later in the meeting as being cumulative, agreeing to change this to monthly reporting for future reports.

VP Bus. Serv

In response to a question about the completion of safeguarding training, it was explained that the figure included those on extended leave, including long term sickness absence, maternity and paternity leave as well as new staff who had not yet commenced their induction training.

Item 6 – Noted: The Committee resolved to note the update and use the information to support their discussion and review of items.

A.24.34 ITEM 7: RISK MANAGEMENT

The Dir. Finance summarised the risks, drawing the attention of the Committee to changes that had been made to the risk register since the last meeting of the Committee.

Members asked for more detail about the risks that had been removed, including the rationale behind this, with it explained that there was a tab on the register that detailed risks that had been removed. Members commended the improvements to recruitment that reduced the risk in relation to financial targets, however, challenged the decision to remove the risk, proposing instead, the risk should remain on the register, with a lower risk rating, highlighting recruitment risks were cyclical.

Dir. Finance

Members were concerned around the removal of the risk relating to not achieving 'good' at the next Ofsted inspection, with it noted that this had been as part of the review after the initial inspection, where 'good' had been maintained. The Dir Finance confirmed it was likely the next review would see this reintroduced, but re-worded to reflect the need to manage the impact of the outcome. Members discussed the likely impact, agreeing this would vary between stakeholder groups, noting the intention to mitigate this with additional resources and a communications plan.

Dir. Finance

Members reiterated the earlier point around estates and health and safety risks, asking that this is reconsidered based on the information presented by the Link Governor earlier. Members asked if the new health and safety officer had settled into the role and were informed they had, and had undergone an audit which had gone well.

Dir Finance/
VP Bus. Serv.

Item 7 – Resolved: The Committee resolved to accept the report, subject to the points raised being included in the next review of the risk register.

A.24.35 ITEM 8: WHISTLEBLOWING AND FRAUD REPORTING AND POLICIES

Item 8.1: Whistle Blowing Policy Review

The Dir Finance confirmed the Unions had been consulted, and summarised the changes, which received the approval of the Committee. Members asked for only a summary of

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	<p>changes and links to the existing policies where policies had previously been approved by the Committee.</p> <p>Item 8.2: Fraud Policy Review The committee agreed to recommend the updated policy to the Corporation for approval.</p> <p>Item 8.3: Incident Reporting The Dir Finance summarised the actual and attempted incidents, with the College staff praised for their vigilance.</p> <p>Members attention was drawn to the fraud register, which had previously only captured actual fraud, with this now being used to document attempted fraud to use to raise awareness.</p> <p>Members asked about the process for testing and reporting phishing attempts, with it confirmed all are forwarded to action fraud when notified, with it agreed this was something the Fraud Officer could oversee, with the Committee requesting this is reported to alongside actual cases to identify patterns, identify heightened risks and training priorities.</p> <p><i>Item 8 – Resolved: The Committee resolved to accept the update and recommend the policies for Corporation approval.</i></p>	<p>Dir. Finance</p>
A.24.36	ITEM 9: IMPLEMENTATION OF AUDIT RECOMMENDATIONS	
	<p>The Dir. of Finance summarised the report, including the recommendations completed, not yet due and overdue.</p> <p><i>Item 9 - Resolved: The Committee resolved to note the update.</i></p>	
	ITEM 10: INTERNAL AUDIT REPORTS	
A.24.37	Item 10.1: Risk Management	
	<p>TIAA confirmed this had been completed ahead of the last meeting, however the report had not been available. TIAA provided a summary of the outcomes, highlighting the outcome which offered substantial assurance, with the Dir. Finance confirming the actions are in progress.</p> <p><i>Item 10.1 - Resolved: The Committee resolved to accept the update.</i></p>	
A.24.38	Item 10.2: Safeguarding	
	<p>TIAA informed the Committee that the review had looked at the arrangements for the protection and wellbeing of students, summarising areas that the review had considered, resulting in substantial assurance, with two routine recommendations, both of which had been accepted by the College.</p> <p><i>Item 10.2 - Resolved: The Committee resolved to accept the reassurances provided by the report.</i></p>	

**Dir
Finance/Fraud
Officer**

A.24.39 Item 10.3: Health and Safety

TIAA confirmed the report was in draft, undergoing a review of factual accuracy, highlighting that there were no recommendations, therefore there would not be a need to incorporate any management comments, confirming that this had also resulted in an outcome of substantial assurance.

Members were reminded that the new health and safety officer was now in place, having made considerable progress since being appointed, with policies and procedures being updated and evidence of monitoring control, training, and advice for staff.

TIAA confirmed that the review of testing, the training log, incident log, asbestos management, electrical safety had not indicated there were any issues to be addressed.

Item 10.3 - Resolved: *The Committee resolved to accept the update.*

A.24.40 Item 10.4: Exams

TIAA confirmed the review had concluded, with the report drafted, however, had not been available for issue at the time the pack had been issued, although, it had been reviewed internally and been submitted to the College for review.

A summary of the work undertaken was provided, which included a review of seating, invigilating, scripts, attendance registers and access arrangements, resulting in reasonable assurance with one priority two and one priority three recommendation, with members given an overview of the issues encountered, relating to the signing of a form, training and a discrepancy with the seating plan.

Members noted that this report would be presented with the pack for the next meeting of the Committee.

A member highlighted how a number of reviews had taken place, but not included with the first circulation of the papers for the meeting, asking if the timing of Audit Committee meetings had been considered when scheduling reviews and drafting reports. An apology was provided, with it clarified that annual leave of College staff had resulted in the papers being provided to the Clerk ahead of the paper due date, which was before the draft reports had been finalised, with the auditors having flagged this and asked for the available drafts to be included.

Item 10.4 - Resolved: *The Committee resolved to note the update, agreeing to receive the report at the next meeting of the Committee.*

ITEM 11: GDPR and DATA PROTECTION**A.24.41 Item 11.1: Update**

The Clerk summarised the report, highlighting the impact of the training as evidenced through the increased number of queries and breaches reported.

Members were made aware the of the context to the reported breaches within the safeguarding team relating to disciplinary action and complaints. The Committee received additional detail, with members agreeing these had not constituted breaches, however, noted they had been logged to monitor trends and support staff with training needs. Members asked if there was a risk in not reporting and following up on the incidents that

were not breaches, expressing concern over resource implications, with it confirmed that without logging and investigating, the nature and severity of any breach or potential breach could not be established, risking missing breaches and failing in statutory duties relating to data protection. It was proposed this was similar to the reporting of near misses in health and safety, with the data used to support training needs and raise awareness.

The Clerk advised she had achieved her Practitioners qualification, which was the level of qualification recommended for DPO's in FE by the IAS, however, was also going to sit the CDPO exam later that week, as the highest certified level available from the training provider, with the Committee wishing her luck with the exam.

The Vice Principal summarised the background and drafting process for the new policies, advising that there had not been any changes to the main data protection policy, with this to be fully reviewed once the DPDI No.2 Bill receives Royal ascent.

Members discussed the benefits and drawbacks of new technology, in particular advising caution when considering the benefit of meeting assistance technology and services, with examples given of recent AI related incidents resulting in data breaches.

Members asked if the college had developed an AI strategy or policy, with the Vice Principal confirming that the JCQ had published assessment guidance in February, with this now embedded into the college malpractice policy to be reviewed by the Standards Committee in their upcoming meeting.

Item 11.1 - Resolved: *The Committee resolved to note the update and recommend the Corporation approves the ongoing adoption of the current Data Protection Policy.*

Item 11.2: Freedom of Information Policy

Members were informed that this policy had been replaced on the website with the Freedom of Speech Policy, with the original lost in the changeover of staff, therefore this had been drafted from scratch. Members were informed Freedom of Information was not within the remit of the DPO, however, the DPO had offered support and guidance to the Vice Principal when drafting the policy, and would monitor compliance of responses from a data protection standpoint, advising on redactions and overseeing compliance in terms of responding in the required timeframe.

Item 11.2 - Approved: *The Committee resolved to recommend the policy to the Corporation for approval.*

Item 11.3: CCTV Policy

Members noted that this policy had been fully reviewed and revised by the Head of Estates, with the DPO having reviewed it for compliance with relevant legislation. Members were advised of new processes, including shared files in Teams for the oversight of compliant CCTV monitoring and image release. The Vice Principal Business Support informed the Committee that the CCTV room had been relocated to make it easier for the safeguarding team to access footage when needed to support any investigations, with close monitoring of any requests for footage.

A member asked about the decision to shorten the retention period for CCTV footage. Members were informed that this had been as a result of the move from analogue to digital cameras as well as supporting the GDPR requirement for data minimisation. Members were advised consideration had been given to the storage space, cost implications and usual period in which requests were received. Members suggested that 14 days may not be long enough for anyone to come forward following an incident, however, were assured that a review of the logs did support the shortened retention period, adding that following any incident, footage is then held for 30 days whilst awaiting any potential request for it to be used to support with any internal or police investigation.

Item 11.3 - Approved: *The Committee resolved to recommend the policy to the Corporation for approval.*

A.24.42 ITEM 12: CRITICAL INCIDENT MANAGEMENT

The Vice Principal Business Services outlined the plans for testing the plan, confirming the plan was under review, with the intention being to draft a more concise Business Continuity Plan, to prevent the lengthy operational plan needing Corporation approval. Members were assured it would remain supported by a series of detailed operational plans. Members proposed there would be considerable overlap in how to respond to a large number of the incident types, therefore there would be repetition if creating separate plans for each incident type. The Vice Principal explained that this would be captured in the overarching Critical Incident Management Plan Policy for approval, however the individual plans would focus on the operational detail.

The Vice Principal provided the Committee with the background to the report, with the Resources Committee, as previously responsible for oversight of incident management, having asked for a testing regime to be drawn up and reported against. The testing regime was discussed at length, with members asking if the local authority had input into the plan and would coordinate the response in the event of a larger incident, including an epidemic or pandemic.

Members proposed testing of some aspects needed to be carefully thought out and planned, with examples given of poorly managed incidents resulting in genuine distress and trauma for students and parental complaints. Members were informed that for threats of terrorism, or intruders, the focus would be on training and educating students to ensure full understanding rather than incident reconstruction, with any testing of other aspects to be communicated to all involved.

Members agreed that the testing regime as proposed looked comprehensive, acknowledging that it is not possible to test all areas, and even when testing, it was difficult to plan for human responses to actual or test scenarios, agreeing that awareness and training were key, with poor management of incidents, or inappropriate testing, as in the examples discussed, a risk to the reputation of the college.

A member proposed the review of the strategies should include insurance implications and requirements, suggesting they should be asked to provide support and advice into the review of the full critical incident management plan, with it agreed this would be followed up by the Vice Principal Business Support. TIAA also offered to see if they had any examples of plans and policies for critical incident or business continuity management from other colleges.

VP Bus. Sup.**TIAA**

***Item 12 - Resolved:** The Committee resolved to note the assurances provided by the testing schedule, agreeing it was comprehensive and suitable to meet the needs of the college, asking that the insurers are consulted ahead of presenting the updated plan for approval.*

A.24.43 ITEM 13: IT DISASTER RECOVERY PLAN

The Vice Principal Business Services confirmed that this had previously been within the Critical Incident Management Plan (CIMP), however had been removed to allow for annual review in line with the Funding Agreement when the CIMP went to a bi-annual review.

The Vice Principal informed the Committee that this was the first review of the plan by the new IT manager, therefore the plan had undergone a thorough and objective review, reminding the Committee of previous issues relating to high staff turnover within the IT team, which had now become more stable.

Members noted how the document highlighted areas of strength, as well as vulnerabilities, therefore would not be made publicly available. Members indicated they felt reassured that the risks had been carefully considered, with mitigations in place to reduce the impact, with the plan indicating sound awareness of areas of increased risk, with appropriate testing and processes for incident response.

The Vice Principal advised the Committee of plans in place to draft similar operational risk registers for estates and health and safety, which would be reviewed by the link governors and made available to the Committee for increased oversight and assurance of the close management of specialised risks.

***Item 13 - Resolved:** The Committee resolved to approve the plan, noting the reassurances offered by the additional risk register.*

A.24.44 ITEM 14: WEBSITE COMPLIANCE REPORT

The Vice Principal Business Services summarised the information, with members made aware that some complaints had been received by the College relating to outdated policies on the website. It was explained policies had been reviewed and approved in line with statutory requirements, however, the issue had been with lagged updating of the website, or incorrect review dates in the box on the first page of the policy which provided a review date ahead of the statutory requirement.

The Clerk advised the Committee that within the meeting of the Governance Committee an issue had been raised relating to the updating of the website, with a member flagging that the website contained outdated information, that was no longer relevant or even incorrect. Members noted that this was not necessarily compliance related, however linked to general website maintenance with this having been passed onto the VP Curriculum and Support who was responsible for this area. Members acknowledged a full review would be a time-consuming task, with regular reviews, with maintenance key to preventing it becoming an overwhelming task, indicating someone needed to be responsible for the task, and were advised a plan was being drawn up to review and amend each page and link.

In relation to statutory information, members were informed that of the 27 areas reviewed, 23 were compliant, with a timeframe in place to review, update and create content for the remaining areas.

***Item 14 - Resolved:** The Committee resolved to note the reassurances provided by the report.*

A.24.45 ITEM 15: HEALTH AND SAFETY

Members were reminded this had been moved from the Resources Committee due to being a recommendation from the ESFA that this fitted within the scope of the Audit Committee, and due to the link Governor being Chair for this Committee, it was also a better fit for the college's committee structure.

Members were advised this was the first report by the new Health and Safety officer, providing an overview of the work undertaken since commencing in her role. Attention was drawn to the statistics, activities, like the installation of an emergency anti-stabbing kit at the Southport site and recommendations, including prioritising first aiders in high-risk areas, upskilling technicians in workshops to ensure sufficient coverage.

Members asked if there were any trends or reoccurring issues identified in the statistics and were assured there had not been. Clarity was provided over the data within the KPI scorecard, which was cumulative, with members noting some months had seen higher numbers of incident reporting, with it agreed this would be reported as month by month data in future reports.

Members discussed the installation of the stabbing equipment at the Southport site, asking if training was provided on its use, and why there was not one at KGV. Members were informed funding was only one per college, with no acknowledgement of additional needs for dual campus sites, with enquiries to be made as to the cost of providing the resource at KGV. A member provided details of a charity, Knife Savers, that may be able to support with part or full funding.

***Item 15 - Resolved:** The Committee resolved to note the reassurances provided by the report.*

A.24.46 ITEM 16: COMMITTEE IMPROVEMENT UPDATE

Members were given an overview of progress to date and invited to comment and make suggestions on potential further improvements. Members agreed they did not need an additional meeting, provided that the four-meeting format is resumed for the next academic year, with the first being early in the academic year.

***Item 16 - Resolved:** The Committee resolved to note the reassurances provided by the report.*

Ahead of leaving before item 17, the representative from the internal auditors was thanked for their work and support.

A.24.47 ITEM 17: REVIEW OF PERFORMANCE OF AUDITORS

Item 17.1: External Audit Service

REDACTED

Item 17.2: Internal Audit Service

REDACTED

***Item 17 - Resolved:** The Committee resolved to accept the evaluation of the Audit Services.*

A.24.48 ITEM 18: ITEMS TO BE REPORTED TO THE CORPORATION

Members noted the intention to move towards a standardised format for reporting back to the Corporation, including risk, KPI's and 'top three things'. Following discussion, it was

proposed this should focus on their review of the risk register, with a need to change or reduce ratings for key risks rather than removing them, as well as highlight to the Board discussions around the performance of auditors, and finally, to advise the Board they had seen and approved the IT disaster recovery plan.

Members noted the need to seek approval for their recommendations relating to:

- 8.1 Whistle Blowing Policy
- 8.2 Fraud Policy
- 11.2 FOI Policy
- 11.3 CCTV Policy

Members agreed they should make the Corporation aware of:

- 7 Discussions around and changes to the risk register
- 13 The Committee's approval of the IT disaster recovery plan
- 17 Assurances over their work relating to the value and performance of the auditors

Item 18 - Resolved: *The Committee resolved to update the Corporation as outlined above.*

A.24.49 ITEM 19: DATE OF NEXT MEETING AND CLOSE

Members thanked staff for their reports and noted the intention to meet again on 21st May. Members considered the value in having a meeting earlier, however, agreed this would be sufficient for oversight, provided the Autumn meeting was reinstated.

Associate member Carla Kennaugh confirmed that she would be in attendance for 21st May, highlighting her associate term was due to end in September, and did not intend to apply to serve a further term, however, was happy to continue to support the college in other ways. Following discussion and a review of the Terms of Reference for the Committee, it was agreed that Carla could be invited to attend the meeting each year in which the financial statements are presented, as well as being able to support with any future tender in the capacity of a suitably knowledgeable and skilled advisor.

Item 19 - Resolved: *The Committee resolved to meet on 21st May as planned and inform the Governance Committee of Carla's decision to step down as an associate, noting she will continue to support as an advisor but not a member.*

The meeting closed at 5.20pm