

Audit Committee

Tue 26 March 2024, 08:30 - 10:00

Attendees

Board members

Dave Vasse (Principal), Angela Foster (Member, Non-teaching Staff), Tim Stockings (Member and Committee Vice Chair), Kwame Amoako-Atta (Committee Chair and Member), Sara Whittaker (Member), Kay Sandford-Beal (Director of Governance), Tracey Inverary (Member), Paul Goddard (Internal Auditor, Scrutton Bland)

Absent: Hussa Ali (Finance Manager)

Meeting minutes

1. Welcome, apologies for absence and quoracy

To welcome members (including new member Tracey Inverary), to note apologies for absence and confirm quoracy.

The Chair welcomed members to the meeting, including Tracey Inverary to her first Audit Committee meeting and noted that the Committee was very pleased to have her as an addition to the Committee and Corporation.

The meeting was confirmed as quorate. The Finance Manager, Hussa Ali was unable to attend the meeting due to being on annual leave.

Information

Kwame Amoako-Atta

1.1. Confidentiality Statement

To remind Governors of the standard practice around confidentiality.

The Chair drew members' attention to the confidentiality statement: All matters discussed during this meeting are confidential until the minutes are approved. Any items recorded in Confidential Part II minutes remain confidential after the Part II minutes have been approved.

Information

Kwame Amoako-Atta

2. Declarations of interest

To note any conflicts of interest against any items on this agenda.

There were no declarations of interests against any item on the agenda.

Information

Kwame Amoako-Atta

3. Minutes of the previous meeting on the 21st November 2023

To confirm that the minutes taken on the 21st November 2023 are considered a true record.

A Governor noted that reading the previous minutes, a Grade C recommendation had also been provided regarding the management of controls, highlighting a need for governors to be provided with a paper to explain the financial controls process.

ACTION: KSB to clarify the completion of action and update the action log and members following the meeting.

DECISION: Subject to this action being followed up and closed down, the minutes of the previous meeting on the 21st November 2023 were formally **approved** as a true record.

Decision

Kwame Amoako-Atta

 3.Chair Approved Minutes_Audit Committee_211123.pdf

4. Matters arising from the minutes of the previous meeting on the 21st November 2023

Information

Kwame Amoako-Atta

To review the Action log and ensure the completion of outstanding actions.

The Chair reviewed the Action log generated from the meeting on the 21st November 23, noting that the majority of actions had been completed. It was noted that Audit definitions would be provided by Scrutton Bland to the new Finance Director, once in place, and that Scrutton Bland had agreed to create a prior audit recommendation tracker. This would be presented to the committee at the 11 June 24 meeting. The Policy Schedule was shared with governors in its new format, in review due date order, as requested.

 4. Action log Audit 21 11 23 updated.pdf

 4.(9) SGMC Policies Update March 2024.pdf

5. Board Level Risk Register Report February 2024

Information

Dave Vasse

Governors to review and monitor the current Board Level Risks crucial to the achievement of the college's objectives.

DV presented the updated Risk Register Report to the committee. The internal Risk Management Group, consisting of a cross-section of senior and middle managers meet on a regular basis, every 4 - 5 weeks to review all college risks and monitor necessary actions and scoring levels.

DV shared that the register continues to include the top risks identified at the beginning of the year, to facilitate tracking over a full year period. These can then be reviewed and redefined at the end of the period.

Q - Governor: Where is the appetite for risk laid out within this document? This should be included in line with your Risk Policy and Strategy. For example, we would consider a risk of 9 or above to be a risk that a Board would be uncomfortable with for an extended period of time. It would therefore be useful to see more evidence of what the executive are doing to mitigate risk at such a level.

The Principal agreed with the argument and judgement presented and explained that there are existential threats, such as T-levels and the defunding of BTECs, over which the College has little control to mitigate. Another example of a risk graded at 9 was the risk of failure to develop the estate, whilst balancing the pressures of ongoing maintenance requirements. Governors discussed whether or not such external threats should be scored at the highest level, to reflect the monitoring by the corporation, that the college had reached its capacity to mitigate.

It was agreed that the appetite for risk should be discussed at the forthcoming Governor Development Day on the 13th April 2024. This would be in line with planned discussions around mission and vision for the college. A Governor suggested that perhaps there should be amended wording included within the Risk Register that Governors should have sight of.

ACTION: KSB - Discuss at Governor Development Day with aim of Risk Register wording being reviewed to include risk appetite.

A Governor queried how members could be reassured that adequate resources were in place having reviewed the Audit Findings report.

The Principal reassured the committee that, although there had been shortfalls in the preparation for the external audit, all planning and delivery had been reworked by Hussa Ali and himself. This work had then been scrutinised by the Resources Committee, followed by the ESFA. DV shared that the audit had resulted in a good final outcome, despite the challenges of this year's process. Hussa Ali had reviewed and made improvements to the work required.

ACTION: KSB to share Resources meeting minutes (04.12.23) and Independent Auditor Findings Final Report with TI to provide assurance.

 5. RSK-Risk Register-29Feb2024.pdf

6. Schedule of Outstanding Audit Recommendations

Information

Hussa Ali

Governors to receive and review the actions taken by management in response to the recommendations of the internal audit provider.

Management responses to recommendations had been documented under points 4.2 and 4.3 within the Audit Findings Document and were reviewed by members.

 6. 2023 Sir George Monoux College Audit Findings Report - With Management Response.pdf

7. Internal Audit Reports

Governors to receive reports on the results of the internal audit provider's work.

Information

Paul Goddard


7.1. Risk and Assurance Progress Report March 24

Governors to receive the Internal Auditors' Progress Report.

Information

Paul Goddard

PG shared that the Financial Controls internal audit had been rescheduled for mid May 2024 but planned for the report to be delivered to the committee in June. A date was also required for audit of prior year recommendations, which would also include consideration of external audit recommendations.

 7.1 Risk and Assurance Progress Report - Sir George Monoux College - March 2024.pdf

7.1.1. Cyber Security

Governors to receive and consider the report of the Cyber Security internal audit.

Information

Paul Goddard

PG presented the internal report on Cyber Security, outlining that it had become a common threat, with a very high likelihood that a cyber attack could be successful. Therefore, amber assurance had been provided. PG noted that Cyber Essentials had been achieved but that much more rigour was required.

It was recommended that the college provide standalone mandatory cyber security training, and not only as an element within GDPR training. This would heighten cyber security awareness. It was also recommended that scenario testing be carried out once a term.

The Principal confirmed that Cyber Security training was in place but acknowledged that increased regularity of delivery was required.

A governor requested the level of confidence in the college Network Manager and if a Cyber Response Plan was in place?

A- DV: Cyber Security is on the Risk Register. We are in receipt of DFE guidance and JISC protocols. We have completed penetration tests. We therefore have a good level of assurance and the Network Manager supports well in what we wish to achieve.

PG emphasised that the college is on track to protect itself against Cyber Security attacks and, should recommended actions not be taken, these would be escalated in the future. DV confirmed that the college is networked and attentive to the experiences of others, particularly through the AOC network. Governors were informed that HR had made progress with a new training portal which held all modules in one place so that cyber and security training could also be added for staff to complete.

 7.1.1 Final Report - Cyber Security - Sir George Monoux College - 2023-24.pdf

7.1.2. Examinations

Governors to receive and consider the report of the Examinations internal audit.

Information

Paul Goddard

PG delivered the report on Examinations which had received significant assurance, confirming that the college has a robust examinations framework in place. The report detailed 5 low risk recommendations:

Review Exams Contingency Plan

Explore process for monitoring of late fees

Greater use of digital processes

Appropriate training for invigilators

External verification reviews should be closed off in the same way as an internal audit.

DV commented that late fees are coded and a recent report showed that £3k had been incurred for late fees. It

was agreed that this amount was negligible and PG shared that, in his experience, this was lower than other colleges.

 7.1.2 Final Report - Examinations - Sir George Monoux College - 2023-24.pdf

7.1.3. Health and Safety

Governors to receive and consider the report of the Health and Safety internal audit.

PG explained that the previous Health and Safety report in March 22 had achieved 'red' assurance and that since then, a high volume of work had been carried out to improve the quality of health and safety within the college. There were still areas of improvement required and the report had resulted in a 'Reasonable Assurance' rating. There were 4 areas of recommendation:


Ensure compliance rates for health and safety training are monitored effectively

Ensure effective monitoring of risk assessment completion

Ensure the implementation of termly fire evacuation drills

Checklist of key fire equipment introduced and monitored.

The Principal shared that a dedicated Health and Safety Officer had been appointed and would help ensure that risks were being regularly and appropriately managed once in post.

 7.1.3 Final Report - Health and Safety - Sir George Monoux College - 2023-24.pdf

Information

Paul Goddard

8. Fraud, Financial Irregularity, or Public Interest Disclosure

To verbally report any incidents of fraud, financial irregularity of public interest disclosures arising since the last meeting of the committee.

KA confirmed that he had not been made aware of any relevant incidents or issues since the last meeting.

Information

Kwame Amoako-Atta

9. AOB

To discuss any urgent items not covered elsewhere on the agenda.

PG made governors aware of general concerns regarding the growing incidence of more internally caused fraud, which were not always finance related. These incidents often resulted from a process not being followed and a need for the segregation of duties.

PG also shared that the College Financial Handbook had been published on the 20th March and that it was important that the college familiarised itself with the handbook in order to introduce elements into its own financial regulations.

Q - Governor: Should we as a Committee be paying greater attention to fraud?

PG commented that this should be monitored by the Audit Committee in line with the Audit Code of Practice and shared that it should be added as a regular agenda item for review at each meeting.

ACTION: PG to share relevant section from Audit Code of Practice with KSB for dissemination to governors.

ACTION: KSB to add as standing agenda item to each Audit Committee meeting.

DV shared an experience of a fraud investigation in recent years which had resulted in the broadening of the list of declarations of interest and the reporting of suppliers.

Q - Governor: Does training make a difference and raise awareness of how staff should conduct themselves?

A - DV: Training is provided for budget holders and staff are then tested on their understanding.

PG offered to research high level training provided to banks and share with the committee.

ACTION: PG to share findings with KSB

An additional item of business was discussed under Reserved Business.

Information

Kwame Amoako-Atta

10. Date of next meeting

To confirm the next meeting date as Tuesday 11th June at 8.30am over Teams.

The next meeting was confirmed as Tuesday 11th June at 8.30am over Teams

Information

Kwame Amoako-Atta

11. Meeting Close

The meeting closed at 9.55am