

NOTRE DAME CATHOLIC SIXTH FORM COLLEGE

Minutes of the **Audit Committee** meeting held via Teams on:

THURSDAY 10 MARCH 2022 AT 5.00PM

PRESENT Paul Casey (Chair) Father Michael Hall
John Barnes

IN ATTENDANCE: Susan Francis – Clerk to Corporation
Director of Finance and Operations (DFO)
AM – TIAA (Internal auditors)

		ACTION
1.00	APOLOGIES FOR ABSENCE AND MEMBERSHIP MATTERS	
1.01	Apologies were received and accepted from the Principal and SG of Wylie and Bisset.	
2.00	DECLARATION OF INTERESTS	
2.01	There were no declarations relating to any agenda item.	
3.00	MINUTES OF THE LAST MEETING	
3.01	Minutes from the joint Finance and Physical Resources /Audit Committee meeting on 8 December 2021 had been circulated as part of the meeting bundle. They were agreed as a true record and the Chair was authorised to sign them.	
4.00	REVIEW ACTIONS AND MATTERS ARISING	
4.01	<u>Minute 7.02 – Year End Management Variance Report</u> Completed: Wylie and Bisset had provided evidence of staff cost changes. Details of this had been shared with governors after the meeting.	
4.02	<u>Minute 12.07 – Board Assurance Framework Review</u> Ongoing: TIAA had promised to provide training on risk management and risk appetite to the College free of charge. Further information on this had been discussed with DFO and would be addressed later in the meeting.	
4.03	<u>Minute 13.08 –Management Accounts Potential</u> Completed: Scenarios and cash flow details had been shared at the extraordinary meeting on 27 January 2022.	
5.00	AUDIT REPORTS	
5.01	Governors were asked to refer to the Internal Audit Plan provided at the last meeting. The following documents had been included in the meeting bundle: <ul style="list-style-type: none">• Assurance Review of HR Recruitment, January 2022.• Assurance Review of Performance Management and Board Reporting, March 2022.	

5.02 An overview of the Assurance Review of Human Resources (HR) Recruitment was provided by TIAA.

An overall assessment of Reasonable Assurance was reported with four action points being recommended – two being Important, two being Routine.

Strategic Findings

- The College had a Recruitment and Selection Policy that governs the process.
- Testing identified weaknesses in establishing and documenting gaps in employment.
- The Board of Governors were regularly updated with College's recruitment activities.
- Sight of the original educational qualifications could not be evidenced for one new starter.
- In relation to all other pre-employment checks, testing carried out established that the agreed procedures had been adhered to with all of the required documentation being held by the HR Team.

5.03 It was pointed out that the two areas identified by the review (gaps in employment and original certification) had been swiftly rectified by the HR Team.

5.04 The HR Team actively reminded Line Managers to undertake probationary reviews and had regular check-ins to ascertain if there were any issues with the new staff member prior to the probationary review date.

5.05 It was noted that all induction paperwork was fully completed within the agreed timescales.

5.06 A governor asked if the pre-employment checks needed to be kept in, as a compensating control, to which the response was that this was needed for transparency as there had been incidents of fraud nationally. This allowed Governors to see that all systems were in place.

5.07 **Q** – As the Teacher Regulation Authority have independent copies of the qualifications, is an original copy still necessary?
A – In this instance, it did not relate to a teaching role, the check was about prohibition rather than qualification. The follow up actions are noted in the management comments in the review.

5.08 The Committee was assured that the recruitment process was rigorous. This was endorsed by another attendee who had experienced this firsthand.

- 5.09 **Q** – In terms of diversity, are the College obliged to do positive discrimination?
A – Adverts for vacancies clearly state that applications are welcome from all, when shortlisting we would look for the best candidate who would fit the role.
- 5.10 Assurance Review of Performance Management and Board Reporting March 2022.
 An overall assessment of Substantial Assurance was reported with one Routine action point recommended.
- Strategic Findings**
- Strategic KPIs (Key Performance Indicators) were approved by the Corporation and were linked to the strategic aims of the College.
 - Testing identified an audit trail was maintained for each KPI reported.
 - Senior Management were provided with sufficient details on performance allowing for scrutiny on non-performing areas.
 - Testing of a sample of eight KPIs were validated to the source document.
- 5.11 Performance targets were monitored based on data obtained from benchmarking exercises with Alps (A level Performance System).
- 5.12 In terms of recommendations, a one-page descriptor summary would provide enough information to ensure it was robust.
- 5.13 Governors were informed that things were on track to deliver the Internal Audit Plan with several reviews already scheduled. The Annual Report would be ready for July 2022.
- 5.14 An audit recommendations summary tracking report from both internal and external audits was provided. It was noted that a majority had been completed.
- That for safeguarding, all annual DBS renewals were in place.
 - All governors were now on the DBS update system. That those who had provided the necessary paperwork would be given a purple lanyard to replace the blue one, to indicate the process was complete.
- 6.00 RISK REGISTER**
- 6.01 The new Risk Register had been shared as part of the meeting bundle which was also shown on the screen.
 It was explained that compilation of the register had been a collaborative effort from SLT (Senior Leadership Team) and other key departments in the College. Thanks was given to all concerned for their work in this area.
- 6.02 It was agreed that an executive summary would be produced for future meetings.

DFO

6.03	<p>A summary of the register was provided, and the following things highlighted:</p> <ul style="list-style-type: none"> • The heat map was a summary to identify groupings of the 10 strategic risks after existing controls had been taken into account. • This gave a clear visual representation and was intended to be a quick indication of residual risks. • Further details were shared with governors on the 10 strategic risks which were identified with a one-word summary, the risk title, assessment scores for inherent risk and residual risk. • That the risk register allowed for a snapshot in time to be taken. To see any changes and track the trends and movement of these risks. This would then be presented to SLT and governors. • The inherent and residual risks were explained using risk scoring criteria. The likelihood and impact of risk was carried out as a group exercise and the criteria of what defined a risk was in place. • The five-point industry standard scale of risk management was explained. That SLT had agreed the criteria of a 1-5 scale of defined risks. 	TIAA
6.04	<p>There followed a discussion around the number of risks, to which the Committee was advised that the usual number would be between 8 and 12. SLT had distilled the risks down to 10 to ensure it was a manageable amount.</p>	
6.05	<p>The Committee discussed the risk appetite of the College. It was agreed that TIAA would provide risk training for the Corporation which would include risk appetite.</p>	
6.06	<p>SLT would look closely at the worksheet for each of the 10 risks and drill down on each risk in a cyclical process. It was added that there were three lines of assurance which were key to understanding whether controls were in place and operating effectively.</p>	
6.07	<p>The Committee were happy with the Risk Register stating that it made logical sense as well as providing a helicopter view for the Corporation. It would be regularly reviewed to ensure that risks were managed effectively.</p>	
6.08	<p>The Chair suggested a couple of areas for consideration:</p> <ul style="list-style-type: none"> • The succession planning of staff. • Diversity. • The risk to IT from a cyber or mechanical failure. • A policy for staff who use their own devices to do College work. • A business continuity plan to ensure adequate remote learning facilities in the event of another lockdown. • A separate risk register for the capital build project. • Be more explicit with regards future growth of the College. 	

In response to a query about Risk 5, row 8 - Legal, DFO explained that it was used as a placeholder but would review this area further.

As this was the first draft, all feedback and suggestions were welcome. The Director of Finance and Operations would further review the suggestions with SLT.

DFO

- 6.09 The Chair reiterated how much of an improvement this was on the previous system. That the executive summary report that would be a standing item at each Audit Committee would highlight any changes and trends overtime.

Audit

7.00 UPDATED ESFA GUIDANCE

- 7.01 To ensure governors were aware of the latest update, they were asked to follow the link:

<https://www.gov.uk/government/publications/college-corporation-financial-management-good-practice-guides/the-scope-of-work-of-audit-committees-and-internal-auditors-in-college-corporations#annex-a-suggested-areas-of-work-for-an-audit-committee>

8.00 CYBER SECURITY

- 8.01 A verbal update was provided by the Director of Finance and Operations.

- An action from last summer's audit report on Active and Real Time monitoring had now been implemented. New antivirus software had been successfully installed across College and allowed systems to detect malicious actions with an extended range of detection.
- The IT department had further developed email filtering through further development of Defender for Office 365. This provided a higher level of security particularly in light of the recent situation with Russia.
- A phishing attack simulation training exercise had taken place to test the system with staff. Any staff who failed the test were provided with online training.
- Password protection had been increased to mitigate the risk of weak and commonly used passwords being hacked. These would now be rejected.

- 8.02 Q - Have we had penetration testing?

A - We do vulnerability scanning .

TIAA remarked that the May 2021 Cyber Security audit review referenced that College did have regular penetration testing . PD promised to revisit this with the IT department given the recent cyberattacks on educational institutions in Leeds.

DFO

9.00 POLICY REVIEW

The following policies had been distributed to the Committee ahead of the meeting.

9.01	<ul style="list-style-type: none"> • <u>Risk Management Policy</u> was last updated in December 2019 – due for renewal (every two years). This had been designed to complement the new Risk Register. Recommended for approval at Full Corporation. • <u>LGPS Discretionary Policy Statement</u> (last reviewed 2018 – due to be reviewed September 2021) Deferred: With Solicitors currently. • <u>ICT Acceptable Use Policy</u> for students (last reviewed February 2021 – due to be reviewed February 2022). The rationale behind this policy was shared with governors and the highlighted areas explained. Recommended for approval at Full Corporation. • <u>ICT Acceptable Use Policy for Staff</u> (last reviewed February 2021 – due to be reviewed February 2022). The Committee looked at Section 5 of this policy which referred to “Bring Your Own Device” use in light of new requirements for cyber essentials certification. There had been an increase in the controls put in place for staff using their own devices to access the College system. PD would reformat the policy to reflect this before it went to Full Corporation. Recommended for approval at Full Corporation. 	<p>Full Corporation</p> <p>Audit</p> <p>Full Corporation</p> <p>DFO/ Full Corporation</p>
10.00	ANY OTHER URGENT BUSINESS	
10.01	The Committee was informed that Wylie and Bisset had been reappointed as external auditors for 2021/22 and would attend the next meeting.	
10.02	<p>The decision about the attendance of the Principal at the Audit Committee was discussed. It was agreed that it would be good practice to hold an in-camera meeting 15 minutes before the start of the Committee before any College staff joined.</p> <p>That there would be an open invitation for the Principal to attend if she had capacity to do so. That any items which needed input from the Principal would be put at the start of the agenda to allow her to leave the meeting once these items had been addressed.</p>	
11.00	DATE AND TIME OF NEXT MEETING	
11.01	The next meeting would be held on - Thursday 30 June 2022 at 5.30pm	

The meeting closed at 7.05pm.