Minutes Audit Committee

Date: 11th March 2025 **Time:** 3.30 - 4.52 pm

Location: S11**,** In College

Present: Mr C Breckenridge - Chair
Mrs L Court via Teams
Mr D Shephard via Teams
Mr E Uniuigbe via Teams *[joined 343pm item 4]*

In attendance: Mr A Scott - Principal
Mrs S Carter - Vice Principal
Miss F McIntyre - Clerk
Mrs H Cargill - TIAA via Team *[joined 338pm, item4]*

Apologies: Ms S Smith

1 Apologies

Apologies received and accepted as above. EU was expected.

2 Declarations of interest

There were no declarations of interest.

3 Minutes of the last meeting – November 2024

The minutes of the previous meeting were approved.

3.1 *Matters arising - Confidential item*

[HC joined 338pm]

4 Report from internal auditors – autumn visit

The draft report on Key Financial Controls was reviewed. The revised draft is not final, and the final report will be chased by HC.

Reasonable assurance was given, with very few recommendations. However, there were areas of concern:

1. Three payments were made outside of the approved authority limits.
2. A staff member did not sign payroll control account.
3. Invoices were not signed off, as required by the Financial Regulations.

SC provided the following information regarding the audit:

- From the College point of view he did go into a lot of detail. Initially asked for 300 pieces of information. In the end 60 - 70 reviewed. Of those a couple of invoices that were outside signatory.
- Signatory thresholds on purchase orders not invoices so correct processes were followed.
- Control account - completed every month and printed off. It was not physically signed to show who printed off in a one person team in payroll.
- With these small items being picked up only getting reasonable assurance does not seem proportionate.
- Telling the team they had been downgraded to reasonable assurance has affected morale.

SC challenging the outcome of the audit as the issues raised were minor compared to the larger picture. HC agreed to review the situation further with a view to changing the assurance level.

[EU joined - 343pm]

4.1 Annual plan

The annual plan was reviewed, and the levels of assurance from the previous year have been included in the report as previously requested by governors.

- The business continuity planning audit has been delayed until after Easter due to workload pressures and SC leaving.
- Other outstanding audits are student numbers and enrollment that will involve Mike Jones and curriculum planning with Becky Stratton.

5 Outstanding internal audit points review

Several follow-up items were discussed, particularly focusing on Cybersecurity and unsupported operating systems.

Cybersecurity Update:

- The migration to the cloud is ongoing. The IT team is working to mitigate risks associated with unsupported operating systems.
- The risk register for IT is still being developed and will be completed by August.

Q: Will the cloud transition improve security?

A: Yes, it will significantly enhance security, providing better protection and more robust systems.

Q: Will the IT improvements make a big difference to College?

A: A huge difference. Cannot hot desk currently. Finance systems are only on 6 PCs in the whole College. Being able to access it anywhere will be valuable. If one PC stopped working tomorrow it would cost £1K to move software and systems onto another.

There is strength in the IT team and a reshuffle was done and now an IT deputy. The value of support the staff is now getting is hugely significant. About to recruit another member of staff in the IT team. Investment in the department is hugely valuable.

Q: Cyber security, should there be ongoing audit?
A: 18 months did experience a cyber attack and systems sufficiently robust that it was detected and closed down quickly. Since then, the College has invested in staff to increase IT awareness. Have also made improvements. Breach came from remote access and this is no longer allowed.
Two factor authentication introduced. Have JISK who work alongside College doing penetration tests. If they detect any activity they will contact College. Can never say 100% risk free but systems to date are robust and working hard to ensure it stays that way. Have done everything been advised to do in terms of protecting IT systems. Moving onto cloud will only improve security. Work is at the forefront of IT teams and work is not just left till audited every three years.

6 Risk review - risk register additions and deletions

Risk review shows changes since the last meeting.
The following changes were highlighted to governors:

- Disease Risk: Reduced by one point due to a decrease in overall risk.
- New risk 3.2B: The risk of insufficient College services to provide a suitable learning environment due to the failure of College boilers. This has been added with mitigation measures in place.

Q: Has the boiler and heating issue not been discussed for several years?
A: Yes and the risk has now become critical due to ongoing issues with the College's boilers. Discussed within SLT, Estates and Finance committee and felt the risk does pose a risk to teaching and learning.
Cost of boiler and associated heating systems works estimated to cost between £600,000 and £700,000. Efforts to secure funding through grants have so far been unsuccessful in previous years but have submitted a SIF bid this year. Work may have to go ahead regardless of additional funding.

Q: Has new build made an impact on this?

A: This is separate.

Q: What would be the cost?
A: £600 to £700,000. Depends what they find. There will be asbestos and when oil bund removed there may be leakage into soil.

7 Policies
The Risk Management Policy was reviewed. Very few changes were made, but the risk appetite statement has now been incorporated into the main policy.
The updated policy was approved.

8 AOB
The new build was expected to be completed on 24th March but in the last two days a new date of 31st March has been given. Despite assurance from the area director the team have not been able to deliver the program.
In terms of risk - it has to be completed by the end of March. No further slippage can take place. It has been disappointing throughout.
Choice is whether we take on a building that is not finished or wait.
Had been hoping to show governors 27th March.

8.2 *Confidential meeting item*

9 Meeting impact, action review and possible visits
Feedback from visit with the IT team by LC & DS.
Very impressive and supportive of each other.
Queries how issues from IT raised to SLT - SC explained through her.
The IT team has a morning team meeting and chooses to have this at the same time of the whole staff meeting.
DS - IT is seen as a service to provide and ideally becomes strategic. All of College now rely on IT. IT informs the way it goes forward rather than reactively.
SC: ultimately where would want to go but still trying to build a strong foundation. Before going forward need to go backwards and consolidate. Had discussions about what can potentially be done in future but cannot even write an IT risk register as systems are not in place. It will come and working towards it and won't happen overnight.

AS - it is a review day so no students. The IT team has been mapping IT routes from points in classrooms back to cabinets. No clear schematic that shows where everything is connected.

10 Date of next meeting – 5th June 2025

Meeting concluded at 452pm and was quorate throughout.