

GOVERNORS & VOTING MEMBERS PRESENT: Iain Turri [Chair], Roger Bridgeman, Doug Jennings, Phillip Berry [4]

ATTENDING: Shane Blackshaw [Executive Finance Director], Leanne Sowersby [Governance Professional], Lee Glover [Validera– Internal Auditor] (part), Mark Powell [Moore – External Auditor]

APOLOGIES: [0]

ABSENT WITHOUT APOLOGY: None [0]

CIRCULATION: All Governors, & Governance Professional unless CONFIDENTIAL.

ITEM	ISSUES RAISED IN DISCUSSION	AGREED ACTION
1. Welcome	<p>1.1 Welcome: The Committee Chair Iain Turri welcomed everyone. Noted that Richard Powell has resigned as a co-opted member of the committee.</p>	
4. Declarations of Interest	<p>4.1 Declaration of Pecuniary Interest/Disability Access/Equality/Safeguarding 2023/2024: There were no fresh disclosures.</p>	
5. Minutes Previous Meeting	<p>5.1 Open Minutes of Previous Meeting [12 June 2024]: The Minutes were agreed to be a true and accurate record of the meeting and were passed for personal signature and for publication on the College website.</p>	
6. Actions Report	<p>6.1 Actions Report – See actions report.</p>	
7. Matters Arising	<p>7.1 None</p>	
3. Internal Audit [Validera]	<p><i>LG joined the meeting</i></p> <p>3.1 Internal Audit Progress Report 2023/2024: All of the work is complete except the Health & safety piece, which is on the plan for this year. The student records piece is still in draft and EW will return shortly.</p> <p>3.2 Internal Audit Review – Performance Management: Adequate assurance overall. LG talked through the recommendations. It would be recommended that the College reviews its strategic objectives and dashboards can be useful to provide an overview of progress. SB advised that college has a new system which will hopefully have the facility to provide dashboards for governors. Principalship does now review objectives throughout the year against the strategic plan. Noted that exception reporting can be useful to reduce the amount of information being shared.</p> <p>3.3 Internal Audit Review – Cyber Security: LG talked through the report. There are a number of recommendations, but this is normal in a cyber security review. LG talked through the key recommendations.</p> <p>Query raised around the KPIs issue – This is around setting targets in relation to routine actions to ensure there is structure in terms of the expectations of the team.</p> <p>Q – Did the audit find that the team were not aware of the expectations or is it a lack of a document? This is likely to be more a lack of a document / lack of capturing and monitoring achievement against the targets. Discussion around monitoring. SB noted that the IT strategy has been drafted and this includes working towards producing KPIs but there</p>	

	<p>is a need to ensure that they are helpful and not overly onerous – they need to help the team in responding to issues and indicate where there are problems.</p> <p>3.4 Internal Audit Review – Learner Records: Substantial assurance on this, with one or two policies that need to be updated. Noted that a risk-based approach to policy review is sensible, and annual review is not required for all policies.</p> <p>Governors congratulated EW on the achievement of substantial assurance.</p> <p>Discussion around one of the areas that was raised in the audit that EW will discuss with auditors.</p> <p>3.5 Internal Audit Strategy [draft] 2024/2026: LG talked through the proposed strategy and asked the committee whether there are any other priorities.</p> <p>SB noted that the core financial controls has become more prominent due to the cash reserves situation.</p> <p>Governors were happy with the proposed plan.</p> <p>3.6 Review Outstanding Audit List [Update]: LG advised that auditors are confident that the progress shared by management is accurate. SB talked through the tracker, updates are shown in red. The completion rate has dropped, due to additional recommendations having been added.</p> <p>Q – When do things drop off the tracker? Two versions were circulated, one complete and one with only incomplete items. Agreed to remove items once the committee has seen them showing as complete at a meeting. These items will be moved to an archive sheet.</p> <p>LG shared that the Annual Report is a positive statement, and the report will be shared with governors.</p>	
<p>8. College Financial Matters</p>	<p>8.3 FOI/GDPR/SAR Report: EW talked through the report. There have been very few requests and no GDPR breaches</p> <p>8.4 Cyber Security Briefing: SB talked through the report. Noted that the weakest link is human error, and some errors have been picked up. Once we update some of the hardware, especially the firewall, the risk will reduce.</p> <p>Q – Is there anything unexpected or new happening? We are often in the position of trying to find ways to block new types of attack. We recently experienced a machine attack, which the team were able to block.</p> <p>Noted that the business continuity plan is also a key part of this. We have been looking at which areas and systems are actually critical and create a realistic plan in the event of an attack.</p> <p>Q – What impact did the disablement of the firewall rules have? The volume of streaming over our Wi-Fi is significant and is likely predominantly student mobile devices. The impact of this volume of streaming, meant that college computers took longer to boot up, impacting learning time. Reducing the strictness of the filters alleviates this, but creates a greater risk. With a new firewall, this will allow stricter filtering again.</p>	

<p>2. External Audit [Moore SSW]</p>	<p><i>MP joined the meeting</i></p> <p>2.1 External Audit Planning Letter Year Ended July 2024: MP talked through the Management Letter. Are expecting to issue a clean audit opinion.</p> <p>Q – Have new NI costs been modelled? Yes, SB has sent this to the auditors. There is also a query around whether this will be funded.</p> <p>Highlighted the holiday pay adjustment, and that auditors were comfortable with this.</p> <p>The Letter of Management Representations and Regularity Report will need to be signed when approved by the Full Board.</p> <p><i>MP left the meeting</i></p>	
<p>8. College Financial Matters</p>	<p>8.1 Draft Accounts and Financial Statements 2023/2024: SB talked through the key points. Highlighted the financial rating. All of the working suggests we will achieve a rating of, ‘good’ for 2024-25. This is still a risk, which is why we have made the statement about going concern.</p> <p>Also noted that carbon emissions have reduced and the sustainability officer has been working behind the scenes to progress this work. This is limited by the financial constraints, and the aim is to do preparatory work this year, and hope to be able to do more capital work next year.</p> <p>Q – Is the intention to produce an action plan around this? Yes, there was a briefing at principalship recently. The presentation could be circulated to governors. To consider adding this to the agenda for the board meeting.</p> <p>The document does need a final proof read before FGB.</p> <p>8.2 Finance Updates (Budget & Procurement Act 2023): SB talked through the key points. We are still on track to hit 20 cash days in hand by year end. Weekly cash flow updates are still sent to the ESFA, and copied to MC, SBR and JC. Noted the need to add staffing due to the additional student recruitment. We are likely to receive in-year funding, but we do not yet know how much this will be.</p> <p>Highlighted the issues with high-needs funding, where we could not be sure how much this would be, and payments are not being made in a timely way.</p> <p>SB highlighted the inequity with academies with both VAT, and funded/unfunded pay rises. There is industrial action planned around the funded 6% pay rise for academies, while the college, and other colleges, are only able to afford a pay rise of around 2%. This is currently being challenged.</p> <p>SB talked through the Procurement Act 2023. The majority of the requirements we are already compliant with. There is work to do around making a difference in local communities, which ties in with the sustainability work. There is also a need to ensure that the financial regulations are up to date and compliant.</p>	<p>SB/LS</p>

<p>9. Policy Review</p>	<p>9.1 Risk Management Policy: SB talked through the changes, which are tracked. They are all minor. The review date has been extended to two years.</p> <p>9.2 Risk Management Procedures: SB talked through the changes, which are minimal. The review date has been extended to two years. Highlighted that the register is being used to drive risk management.</p> <p>9.3 Financial Regulations Annual Review: As noted above, this will come to a future meeting.</p>	
<p>10. College Risk Management Review</p>	<p>10.1 Appetite for Risk Strategy: This came from the internal audit last year, and is around whether we need an additional strategy around the management of, and appetite for risk. Discussion around this. Feeling that the current management and reporting of the risk register and existing procedures are sufficient without and additional strategy document. Noted that all staff are managing risk to some extent as a core part of their work. Risks are identified, scored and actions are taken to mitigate these. A sense of the appetite for risk is somewhat inherent in the scoring of risks in the register. It seems to add little value to have an overall statement of risk appetite.</p> <p>This could assist auditors in understanding how closely to examine certain areas. PB will circulate a pictorial representation, and SB can put this into St Brendan’s formatting.</p> <p>10.2 Review Risk Register: SB talked through the key points. Changes shown were made on 1 July, 7 November at Principalship and other changes by MC.</p> <p>SB highlighted the risk around recruitment, around the increased risk around accommodation and overcrowding, as well as the reduced risk of reducing student numbers which would adversely affect funding.</p> <p>Also highlighted 1.9 around security risk. We are planning to resubmit the CIF bid, with more police reports which was cited as a reason for the previous bid having been unsuccessful.</p> <p>6.5 is around cyber security. There is real evidence of the triangulation of the budget, various strategies and the risk register.</p> <p>6.25 around insufficient liquidity will remain high until the cash balances are replenished, and we would hope to reduce this at the end of this year.</p> <p>There are a number of procurement card holders due to receive fraud awareness training. There are new systems in place which require authorisation prior to purchases.</p>	<p>PB/SB</p>
<p>11. Safeguarding/PREVENT</p>	<p>11.1 Safeguarding/PREVENT – Committee Duty Review: SEN finding and the CIF bid to improve security are the areas where this is most key. Additionally the streaming of material on students’ mobile devices was considered.</p>	

12. Audit Committee Matters	<p>12.1 Committee Chair: IT talked through some potential changes that are being proposed for the current year, which could split the Resources committee into two – Finance and Resources. There will be a further update after Strategy and Full Board.</p> <p>12.2 Post 16 Audit Code of Practice 2023-24: To be considered as part of IT’s annual report. This has not changed from last year.</p> <p>12.3 Evaluation of Effectiveness of the Audit Committee: The committee are comfortable with the effectiveness of their work at the moment.</p> <p>12.4 Committee Briefing Next Meeting: None</p> <p>12.5 List Audit Committee Topics for Board of Governors: Internal Audit reports, financial reports, Recommend the Annual Report Management Letter. Audit Committee Annual Report.</p> <p>12.6 Governors’ Audit Committee Annual Report to Board of Governors: IT will circulate by email this weekend.</p> <p>12.7 Audit Committee Terms of Reference: Agreed to delay agreement until the restructure of committees has been agreed.</p>	
13. Other Business [Not Notified]	13.1 - None	
14. Next Meeting	Wednesday, 19 March 2025 at 16:00 hrs	
Minutes Agreed	<p>Minutes agreed as true and accurate record Wednesday, 19 March 2025</p> <p>Signed: _____ Committee Chair</p>	