













# Minutes

## Remote Access Symbols

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## Audit Committee

### Minutes

<b>Meeting Time and Date</b>	<b>0830 on 29 February 2024</b>
<b>Meeting Location</b>	<b>Zoom Online</b>
<b>Members</b>	Guy Jones-Owen (Chair)  Alex Lane (Vice Chair)  Darrell DeSouza OBE  Stephen Way  Antony Young (Independent) 
<b>Auditors</b>	Carl Bullen (Scrutton Bland) 
<b>Observers</b>	Sheila Cunningham Peter Brammall (Principal)  James Bryan (Executive Director of HR)  Denise Lloyd (Vice Principal) Paul Smith (Deputy Principal) 
<b>Minute Taker</b>	Joanne Coffey (Director of Governance) 
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	<b>Action</b>
<b>1. Welcome and Apologies</b> 1.1. Apologies were received for Sheila Cunningham and Denise Lloyd.	
<b>2. Declaration of Interests</b> 2.1. None.	
<b>3. Minutes (Decision)</b> <b>Resolved to</b> 3.1. <b>Approve the minutes of the Audit Committee meeting held on 13 November 2023 as a correct record and authorise the Chair to confirm them.</b>	
<b>4. Matters Arising</b> 4.1. No matters arising from the minutes were discussed.	
<b>5. Review of Outstanding Audit Recommendations (Information)</b> 5.1. As at 21 February 2024, there were 13 audit recommendations in total, 6 completed, 6 partially completed and 1 Not Yet Due. 5.2. Governors felt that the rolling report provided a helpful overview of the outstanding audit recommendations, alongside the Internal Auditor's own follow up reports. 5.3. Estates compliance checks had made good, structured progress, for which the Estates Committee monitors.	

<p>5.4. The College's Business Continuity Plan (BCP) had continued to make good progress and would be received by the Committee at the next meeting.</p> <p><b><u>Gunnersbury Park Break-in</u></b></p> <p>5.5. The College had a break-in at the Gunnersbury Park campus on Saturday 24 February which resulted in damage to some of the animal enclosures and the death of some of the animals.</p> <p>5.6. The perpetrators, who were unconnected to the College, had been charged with theft and animal cruelty as part of the criminal police investigation.</p> <p>5.7. This unexpected event had tested the current Business Continuity Plan. The onsite animal carers raised the alarm on the Sunday morning through their Line Manager, who then escalated it to the Senior Leadership Team (SLT) via the emergency line and the Deputy Principal went onsite to co-ordinate with the Centre Manager.</p> <p>5.8. A team was put in place to secure the site, including temporary manned security with dogs, with the main focus on safety, support, communication and continuity of teaching and learning.</p> <p>5.9. The campus was closed to students on the following Monday, with teaching taken online.</p> <p>5.10. Follow up meetings were conducted throughout the week, to support the staff and students, some of who had been deeply affected, and to reflect further on the security needs of all of the campuses.</p> <p>5.11. The Centre Manager, Andrew Jackson, was praised by SLT on the way that he dealt with this very distressing situation.</p> <p>5.12. Governors gave thanks to SLT and to all involved, which was handled very well considering the circumstances.</p> <p>5.13. Governors were also impressed by the Principal's handling of the communication, in a factual, non-sensationalist way.</p> <p>5.14. An unrelated break-in at the Brooks Farm a few days later had amplified the need for strengthening of campus security.</p> <p>5.15. An emergency event at a school close to the Enfield campus had also tested the BCP, which required a short period of lock-down, which staff and students reacted well to.</p> <p>5.16. A schedule of planned tests will be put in place to facilitate the strengthening of the BCP.</p>	
<p><b>6. Review of Overall Risk (Decision)</b></p> <p>6.1. The Strategic Risk Register had been revised to include a review of each risk and the direction of travel/change since the last review, along with updated actions/timelines and an overview comments section.</p> <p>6.2. The only change in risk level assessment related to risk 6 'Failure to deliver an estates infrastructure', prompted by an escalation in a longstanding theft issue at the Enfield campus.</p>	

<p>6.3. Boundaries at the campus had always been difficult to protect hence, previous thefts had been deemed as acceptable losses. However, a more recent early evening theft could have been a threat to staff safety and affected the following day's teaching, due to loss of equipment.</p> <p>6.4. To further mitigate for these thefts, secure lock up areas had now been installed in the grounds.</p> <p>6.5. Governors suggested taking external advice on campus security. As part of a full assessment of security at all campuses, the College's CCTV providers and the security patrol company would be providing further advice.</p> <p>6.6. The Committee acknowledge the potential financial costs involved with raising security but deemed it necessary to ensure staff and student safety, and that insurance could also be maintained.</p> <p>6.7. There did not appear to be a national issue with an escalation of theft at colleges. The College was more closely aligned with small holdings and farms with high tech equipment, which were always at a higher risk. It was acknowledged that the Gunnersbury Park incident had been highly unusual.</p> <p><b>Resolved to</b></p> <p>6.8. <b>Note and agree to the overall assessment of risk and the updates provided.</b></p> <p>6.9. <b>Share the Risk Register with the Chairs of other Board Committees for consideration at their next meeting.</b></p>	
<p><b>7. Internal Audit Reports (Decision)</b></p> <p><b><u>Capital Projects: Significant assurance</u></b></p> <p>7.1. Scrutton Bland issued a Significant assurance opinion (their second highest) on Capital Projects.</p> <p>7.2. It was deemed that there were strong controls in place for the Mottingham project.</p> <p>7.3. Good documentation retention was identified, with a rigorous risk oversight as well as monitoring of the budget against spends.</p> <p>7.4. The use of Fusion, as contract managers for the project had meant that there was regular mandatory feedback, as well as centralised oversight over the contracts in place.</p> <p>7.5. Clear oversight was found for budget management, including grant expenditure oversight, which was tested and validated.</p> <p>7.6. Three low risk recommendations were made, with the main action to establish a consistent project management methodology / set of documents for small-mid size projects, alongside team project management training.</p> <p>7.7. Enhanced reporting for capital projects was also advised for larger projects, which would ensure that the framework was in place for the Mottingham site and any subsequent builds.</p> <p><b><u>Student Recruitment: Interim - Significant assurance</u></b></p>	

<p>7.8. Scrutton Bland issued an interim Significant assurance opinion on classroom based Student Recruitment. The final audit opinion will be given following completion of the areas that were still in process.</p> <p>7.9. It was considered that management information reports were appropriate, and that actions currently being developed would provide a robust framework to allow greater oversight,</p> <p>7.10. It was identified that the College had already made positive changes within the Marketing, Recruitment and Admissions team.</p> <p>7.11. One medium and two low risk recommendations were made to improve the performance of the system of internal controls.</p> <p>7.12. These related to tracking of keep warm activities, student recruitment strategy (including clarity on roles/responsibilities) and enhancements to the balanced scorecard including conversion metrics.</p> <p>7.13. Management felt that this was a fair conclusion of the processes audited and that changes were rapidly being put in place.</p> <p>7.14. Student applications were currently 16% higher than at the same time of the previous year.</p> <p>7.15. The final report would be presented at the end of the academic year.</p> <p><b><u>Human Resources: Reasonable assurance</u></b></p> <p>7.16. Scrutton Bland issued a Reasonable assurance opinion (their third highest) on Human Resources – Recruitment, Performance Management.</p> <p>7.17. Across the recruitment process, it was evident that the College had appropriately considered and documented their shortlisting process, scoring candidates before inviting those highest scoring to an interview.</p> <p>7.18. Overall, it was considered that there were some areas whereby improvements were needed to ensure that the College was able to withstand any challenges to recruitment decisions, increase the likelihood of recruiting their first choice candidates.</p> <p>7.19. It was also imperative that all staff were receiving a performance appraisal in line with existing expectations. This had been affected by the performance management process being moved back to manual paper-based processing, after glitches with the online system, which had led to challenges in tracking to ensure completion of performance appraisals and objectives being set.</p> <p>7.20. Three medium and two low risk recommendations were raised which related to: improving documentation for candidate scoring; timely written job offers and; monitoring and timely completion of performance appraisals (including probation period appraisals).</p> <p>7.21. Management were now starting to review these processes.</p> <p>7.22. Governors were concerned that incomplete appraisals could impact staff performance. It was clarified that capability processes at the College did not currently include appraisals as a resource.</p>	
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<p>7.23. Objectives were now being set as part of the new appraisals system, which would support performance and any capability processes after completion of one cycle. They were also crucial to avoiding tribunals through staff not having clarity on expectations.</p> <p>7.24. These objectives would also fit with the strategic priorities of the College.</p> <p>7.25. It was agreed that a follow up audit should be carried out after one year of the new appraisal's system being in place, which would be November 2024.*</p> <p>7.26. It was confirmed that CPD was in place for the introduction of the scheme which would take time for staff to adapt to.</p> <p>7.27. Although performance related pay was a feature of the schools' system, this was not greatly reflected in Further Education. If this were implemented at the College, it could not be based on scales as most staff were already near the top of their pay scales.</p> <p>7.28. Governors queried why staff recruitment numbers were not included in the audit, given that staff recruitment and retention had been an ongoing risk. SLT also expected this to be included but the Internal Auditors explained that this would usually be part of a staff retention audit which required a different type of focus. Low attraction of staff was also a common picture that they were seeing with their other clients.</p> <p>7.29. Governors queried if the College should have a separate audit on staff retention. SLT felt that this would be better served as part of the Strategy Day and through internal working groups.</p>	<p><b>*Deputy Principal (Nov 2024)</b></p>
<p><b>Resolved to</b></p> <p>7.30. <b>Receive, note and agree the above Internal Audit reports.</b></p> <p><b><u>Involving the Committees with the Internal Audit reports</u></b></p> <p>7.31. Audit Reports were currently being shared to other Committees later than the Audit Committee meeting. For earlier involvement, it was agreed that the reports would be included in the agendas during the agenda setting period.*</p> <p>7.32. To support this process, the Deputy Principal agreed to*:</p> <ul style="list-style-type: none"> <li>a) Agree which Committee(s) should receive the reports and share this with the Director of Governance during agenda setting.</li> <li>b) Share the audit report with the Chair of the appropriate Committee, prior to the Committee meetings.</li> <li>c) Invite the Committee Chair and any appropriate staff to attend the Audit Committee meeting for the item being discussed.</li> </ul> <p><b><u>Sector Update</u></b></p> <p>7.33. Scrutton Bland advised that fraud had become an emerging education sector issue.</p> <p>7.34. It was advised that the College audited its anti-fraud practices, which had last been reviewed in 2021 (see <b>9.4</b>).</p>	<p><b>*Governance (Completed: Added to Gov. Cycle)</b></p> <p><b>*Deputy Principal</b></p>

<p>7.35. Internal fraud instances tended to be linked to the validation of documentation which required sufficient and robust measures to be in place.</p> <p>7.36. Changes to the minimum hours of English and maths provision were soon to be announced by the Education and Skills Funding Authority (ESFA). It was expected to be in-class 3 hours for English and 4 hours for maths, pro-rated for part time students.</p> <p><b>Carl Bullen (Scrutton Bland) left the meeting.</b></p>	
<p><b>8. Report of the Deputy Principal (Decision)</b></p> <p><b><u>Evaluation of External Audit Service and re-appointment for 2023-24</u></b></p> <p>8.1. Buzzacott continued to provide robust challenge on the College's treatment of accounting transactions, as well as good technical support in the interpretation of the regulations, accounting standards and accounts direction with which the College must comply.</p> <p>8.2. The quality of the financial statements and regularity audit service received by the was confirmed as 'Good' by the Committee.</p> <p>8.3. The audit fee for financial year 2022/23 was £33,155 excluding VAT.</p> <p>8.4. It was agreed to re-appointment Buzzacott for the 2023-24 year-end audit.</p> <p><b>Resolved to</b></p> <p>8.5. <b>Confirm the evaluation of the performance of the financial statements and regularity audit service for 2022-23 as 'Good'.</b></p> <p>8.6. <b>Recommend to the Governing Body the re-appointment of Buzzacott as Financial statement auditor for the current financial year 2023-24.</b></p> <p><b><u>Re-tender of the Internal Audit Service</u></b></p> <p>8.7. The internal audit service was last retendered in 2017 with Scrutton Bland being re-selected. This firm had provided the internal audit service at Capel Manor College since 2009.</p> <p>8.8. Best practice guidance (ESFA) was for the review and retender of this service every three to five years. In November 2022 the Committee agreed that a retender should take place during 2023-24 which had now been initiated.</p> <p>8.9. Governors agreed to include the current Internal Auditors in the tender process but would be advising them that there would be a strong consideration for 'fresh eyes'.</p> <p>8.10. Specialist auditors, such as in cyber security, could also be appointed ad-hoc to bring in an increased level of expertise and experience, to improve internal controls.</p> <p>8.11. Governors felt that the tender process appeared thorough and robust.</p> <p><b>Resolved to</b></p>	<p><b>A: Governing Body</b></p>

<p>8.12. <b>Approve the approach to retendering the internal audit service.</b></p> <p><b><u>Estates Team – Internal Service Level Agreement</u></b></p> <p>8.13. As per the audit recommendations from the March 2023 Estates audit, a service level agreement (SLA) had been drafted by the Director of Estates and Facilities.</p> <p>8.14. The purpose was to clarify the service being provided by the Estates team and to monitor and improve service levels. Further SLAs were being created for internal business support departments to build the culture into all areas of the student experience.</p> <p>8.15. Governors felt it was good document.</p>	
<p><b>9. Risk and Assurance Progress Report (Decision)</b></p> <p>9.1. Three audits had taken place in the year to date.</p> <p>9.2. Apprenticeships and the Key Financial Controls audit on procurement were in progress and would report to the June 2024 meeting.</p> <p>9.3. A follow up on previous recommendations by Scrutton Bland would take place in late April 2024.</p> <p>9.4. The 2023-24 audit plan allowed for 3.75 days of audit work on another unnamed area(s), to be decided in-year.</p> <p>9.5. It was agreed to allocate these days to the College's Anti-Fraud Framework, in light of increased risks of near misses in this area.</p> <p>9.6. Human Resources would also be considered within the 3.75 days, with full allocation to be reported back to the Committee.*</p> <p><b>Resolved to</b></p> <p>9.7. <b>Receive, and note the progress against the audit plan for 2023-24.</b></p> <p>9.8. <b>Approve the undertaking of an Anti-Fraud Framework audit by Scrutton Bland, in addition to an audit on Human Resources.</b></p>	<p><b>*Deputy Principal</b></p>
<p><b>10. 4 Month Report on Compliance and Regulation 2023-24 (Decision)</b></p> <p><b><u>GDPR Policies</u></b></p> <p>10.1. The GDPR policies were presented as standing:</p> <ul style="list-style-type: none"> <li>a) Data Protection Policy</li> <li>b) Data Breach Policy</li> <li>c) Subject Access Request Policy</li> <li>d) Freedom of Information Request Policy</li> <li>e) Document Retention Policy</li> <li>f) Information Security Policy</li> </ul> <p>10.2. It was agreed to recommend a change to the Information Security Policy under Computers and IT (31) to include multi factor authentication.</p> <p><b>Resolved to</b></p>	<p><b>B: Governing Body</b></p>



<p>10.3. <b>Accept and recommend the GDPR policies to the Governing Body for adoption.</b></p> <p><b><u>Personal Data Breach</u></b></p> <p>10.4. Since the previous report, there had not been any Personal Data Breaches.</p> <p><b><u>Freedom of Information (FOI) and Data Subject Access Requests (DSAR)</u></b></p> <p>10.5. Since the previous report, there had been 4 Freedom of Information Requests. These requests were mainly from service companies researching using the College's data for market research purposes.</p> <p>10.6. Since the previous report, the College had not received any Data Subject Access Requests.</p> <p>10.7. As at 30 November 2023, the Director of Governance confirmed that the College was 100% compliant in all areas of Data Protection.</p>	<p><b>(Appendices a, b, c, d, e, f)</b></p>
<p><b>11. AOB</b></p> <p>11.1. None.</p>	
<p><b>12. Date of next meeting</b></p> <p>12.1. The next Audit Committee meeting will take place on Thursday 13 June 2024 at 0830.</p>	

APPROVED MINUTES			
CHAIR:	Guy Jones-Owen	DATE:	13 June 2024
APPROVAL:	<p>Remote confirmation: Approved.</p> <p>Or signed:</p>		