

**Minutes of the Audit Committee Meeting held via MS Teams on  
Wednesday 2<sup>nd</sup> March 2022 at 4pm**

**Present:** Carla Kennaugh (Committee Chair)  
Alex Gamil  
Mo Kundi

**In Attendance:** Patrick Clark (ICCA) (up to and including Item 12)  
Michelle Brabner (Principal) (up to (and including) item 11)  
Paris Bronwick (AP MIS and Apprenticeships) (from item 8 item up to item 9)  
Lisa Farnhill (Clerk)  
Kevin Williams (Director of Finance and Funding)  
Andrew Winrow (Head of Finance) (up to and including item 10)  
Stephen Musa (AP Student Experience and Welfare) (up to item 9)

**Apologies:** Laura Bell (Member)  
Diane Hutchinson (Member)  
Jonathan Creed (ICCA)  
Claire Dalrymple (Wylie and Bisset)

**Absent:** **None**

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**A.22.38 ITEM 1: APOLOGIES FOR ABSENCE**

The Chair opened the meeting by thanking everyone for their time and attendance. The Clerk provided details of the apologies for absence for Diane Hutchinson, Laura Bell and the external auditors. These were accepted by the Committee.

**Item 1 – Accepted**

**A.22.39 ITEM 2: DECLARATIONS OF INTEREST**

The Clerk declared an interest in relation to her role as the Clerk to the Governing Board at St Mary's College and as a primary school governor.

**Item 2 - Noted:** The Committee noted the declaration.

**A.22.40 ITEM 3: APPROVAL OF THE MINUTES OF THE AUDIT COMMITTEE HELD BY VIDEO CONFERENCE ON 24<sup>TH</sup> NOVEMBER 2021**

Members reviewed the minutes as circulated and agreed that they were an accurate reflection of the meeting held on 24<sup>th</sup> November.

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**Item 3: Approved:** The Committee resolved to approve the minutes of the Audit Committee meeting held on 24<sup>th</sup> November 2021.

#### A.22.41 ITEM 4: MATTERS ARISING / ACTIONS SUMMARY

The Clerk summarised the report with the Dir. Finance and Facilities confirming that further clarity was required from the insurers regarding the need for regular revaluation for the rebuild costs.

Members agreed that there were no further actions or matters arising requiring further information.

**Item 4 - Noted:** The Committee noted the update.

#### A.22.42 ITEM 5: CONFIDENTIAL ITEMS

The Committee confirmed the private conversation between the auditors and governors should be considered confidential; with nothing further needing to be redacted.

The Committee Chair confirmed that the details to be reviewed under 11.2 should be kept as confidential and, depending on the detail of the conversations, information relating to the auditors and audit tendering process under items 13 and 14 may need to be redacted. Members were asked to draw attention to any other information considered to be confidential as the meeting progressed.

**Item 5 – Approved:** The Committee resolved to approve the minutes for publication with the exception of details of discussions from the private meeting between governors and auditors.

#### A.22.43 ITEM 6: SCOPE OF THE AUDIT COMMITTEE (DELIVERED AFTER ITEM 8)

The Clerk summarised the updates as reported, with members agreeing to have due regard to the updated guidance.

**Item 6 - Resolved:** The Committee resolved to take account of the updated guidance.

#### A.22.44 ITEM 7: IMPLEMENTATION OF AUDIT RECOMMENDATIONS

The Head of Finance informed the Committee that the rolling summary had been updated to include all recommendations as a result of the Apprenticeship review presented to the Committee, however the Student Journey would not be incorporated until Management comments were agreed by all parties.

The Committee members were assured that actions not yet completed but scheduled for March were underway and on track. The Committee was reminded that although there were outstanding recommendations relating to a previous audit on apprenticeships, the AP responsible for implementation had only been appointed in January, and was in the final stages of updating SLT on the progress made against the recommendations.

The data dashboard were noted as being under construction, therefore the

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recommendation was considered to be partially completed.

Progress against IT recommendations were summarised, with two close to completion expected to be fully implemented by the end of the month and the third, implementing two factor authentication scheduled for January but delayed due to staff shortages and now deferred to summer. The Committee were advised this was essential due to the need to reduce disruption during implementation.

Members asked if the College had considered enhancing security to reduce their vulnerability to cyber-attacks, with particular concern over the impact of the current conflict in Ukraine. Members were assured that this was already under review, with a paper to be presented to the ST that week, presenting options for improved security by transferring information to cloud storage. Members commended the foresight, however, challenged the two to three month timeframe, asking if the immediate risks had been assessed and mitigated through increased staff awareness and monitoring. The Committee were assured that these activities were taking place, resulting in the consideration for enhanced data security measures in addition to short-term reviews and mitigations.

The Committee members were advised that staff shortages had delayed the implementation of stocktakes in hair and beauty, with the Head of Finance having extensive experience in stocktaking, offering to support the implementation to prevent further delays.

The Head of Finance summarised the recommendations not yet scheduled for implementation, noting that some were already in progress and asked the Committee to note the seven recommendations now completed.

Members noted how reassuring it was to see the progress and thanked the Head of Finance for the improved reporting format.

**Item 7. – Resolved:** *The Committee resolved to note the update and provide reassurance to the Corporation of the awareness and actions in relation to the increased cyber-security measures following questioning in relation to the College's response to the potential impact of the Ukrainian conflict.*

## ITEM 8 INTERNAL AUDIT

### A.22.45 Item 8.1 8.1 Student Journey Review

Patrick Clark (ICCA) summarised the findings as presented in the report, drawing attention to the three recommendations. The AP Student Experience and Welfare was asked to respond to the recommendations ahead of questions being invited from members.

The AP Student Experience and Welfare indicated that the review had been timely, with the recommendations received positively, being those already recognised as areas for improvement.

The impact of the Pandemic in relation to attendance was discussed along with the plans to improve consistency on target grades and intervention and

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disciplinary processes. Members were advised of plans to bring together the academic and conduct disciplinary processes into one policy. The Committee was assured that this would be supported by staff training on the new combined policy in June.

Whilst acknowledging the impact of the Pandemic and rationale for considering adjusting the targets, members questioned the wider impact of poor attendance, including on retention and grades. Members were advised targets had been strategically aspirational and not taken into account the lasting impact of the Pandemic, with interventions expected to improve the position, however, acknowledging the targets were unrealistic and unachievable for this academic year.

Members were assured that interventions were being put in place by staff to address issues relating to conduct and attendance, however, the issue had been in recording them, which would be addressed through improved processes. The Chair asked a question on behalf of a member unable to be in attendance, relating to the year on year decline in attendance, with the AP Student Experience and Welfare explaining it had been compounded by a number of factors, including the Pandemic and inconsistent application of interventions. Members were assured that this would be further addressed at inset in June.

The AP Student Experience and Welfare concluded by confirming that the management responses had been prepared and would be reviewed with the Dir. Finance and Facilities ahead of submission to ICCA.

**Item 8.1 – Resolved: The Committee resolved to recommend the report to the Standards Committee for further review and comment.**

**Item 8.2: Safeguarding Audit**

Patrick Clark (ICCA) confirmed that the review process was underway and would be reported in full to the next meeting of the Committee. Members were assured that there were no concerns raised with the review progressing well, however, more evidence was required ahead of finalising the report and recommendations.

**Item 8.2 – Noted**

**A.22.46 Item 8.3: Apprenticeships Delivery Model**

Patrick Clark (ICCA) summarised the findings of the review with key findings relating to efficiency and sign up processes, progress, monitoring and funding. The evidence collated leading to the five recommendations, including two rated as high were summarised to the Committee, confirming that the review resulted in reasonable assurance.

The AP MIS and Apprenticeships was invited to summarise the management response. Members were assured immediate actions were underway to address issues and improve processes, with the Committee informed that the data was negatively skewed in relation to the staff resource model and sign-up packs. The AP MIS and Apprenticeships explained that the PMG 5 report did not accurately take into account part time and hourly staff when calculating average caseloads. The Committee members were advised that when enrolments were processed with future dated starts, this appeared to present

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as a delay in issuing sign-up packs even though the apprenticeship had not commenced. Other delays had been caused by a previous requirement for inked signatures, now confirmed to not be necessary, removing a significant barrier that had been causing further delays.

The Committee confirmed that although the report highlighted a number of areas for improvement, this would have been concerning if these had not already been flagged by the SLT as requiring improvement ahead of the appointment of the AP MIS and Apprenticeships. Members noted how this provided assurance over internal assessments of areas for improvement, with the report providing a good basis for the newly appointed AP to commence his role, with targeted improvements to work through, whilst reiterating the need for the Standards Committee to have sight of the recommendations and findings.

Members discussed the impact of the delayed move from Standards to Frameworks impacting the out of funding learners. Out of funding learners had also been further impacted by the Pandemic, reviews, monitoring intervention and staffing, with particular issues relating to assessors. The Chair clarified that this answered one of the questions circulated by a member unable to attend.

In response to a question relating to the financial implication of scaling up hourly pay including the impact on quality and caseloads, the Committee was informed that there were sector-wide challenges relating to the recruitment of assessors. This was further impacted by uncertainties and difficulties surrounding curriculum planning due to the Pandemic, therefore pay was being kept under review in line with sector benchmarks. The Committee was reassured over the inaccurate PMG 5 data due to part time and hourly staff not being accurately reflected in the data.

Members considered the benefit of a detailed follow up review, agreeing that this should be incorporated into the plan for 2022/2023, accepting the request of the AP MIS and Apprenticeships that this should be at the same point in the year to ensure comparability and consistency. The Dir. Finance and Facilities was asked to ensure that this was built into discussions and plans with the IAS when planning the work for the coming year.

Dir. F&F

**Item 8.3 - Resolved:** *The Committee resolved to recommend the report as essential information to the Standards Committee.*

#### A.22.47 Item 8.4: Review of GDPR

Patrick Clark (ICCA) informed the Committee that the review had commenced and was in the early stages, therefore a full update would be provided to the next meeting of the Committee.

**Item 8.4 - Noted:**

#### A.22.48 Item 9: GDPR

The Clerk confirmed the item had been deferred to take into account any

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recommendations from the IAS as agreed by the Committee Chair.

**Item 9 - Deferred:** *The Committee resolved to defer the review of GDPR actions and activities including updating associated policies to the next meeting to take into account the advice and recommendations of the IAS.*

#### A.22.49 Item 10: Risk Management: Review of High Risks

The Dir. Finance and Facilities summarised the report, presenting the 6 high risks as scored pre-mitigation. There were no new risks to report, with the Committee assured that the staff costs as a percentage of turnover, which had been increasing at the start of the year and was now stabilised at 72% following the tightening of controls.

Members were informed that a forthcoming review would consider the impact of staff shortages in the IT department.

Members asked if the college had reviewed other impacts outside of cybersecurity concerns in relation to the Russian invasion of Ukraine, asking if any staff or students were impacted and how this was being managed. The Committee was informed that there were no Ukrainian students; however, there were a small number of students with Russian family connections, with care taken to ensure they were sensitively approached and supported. The College was also ensuring staff had relevant support, with the contractors for cleaning, catering and security being encouraged to ensure all staff with Ukrainian and Russian connections were adequately supported.

**Item 10 - Resolved:** *The Committee resolved to note the update.*

#### A.22.50 Item 11: WHISTLEBLOWING AND FRAUD REPORTING AND POLICIES

##### Item 11.1 – Whistleblowing report

The Dir Finance and Facilities provided reassurance to the Committee that the policy had been reviewed in line with requirements and enquiries made within the HR and finance teams to ensure that no allegations relating to whistleblowing had been made.

**Item 11.1 - Resolved:** *The Committee resolved to accept the reassurance of the report, noting no formal allegations of whistleblowing had been made.*

##### A.22.51 Item 11.2 – Whistleblowing Update

This minute has been redacted and is maintained within a confidential record.

**Item 11.2 - Resolved:** *The Committee resolved to note the update.*

##### A.22.52 Item 11.3 – Whistleblowing Policy

The Dir Finance and Facilities informed the Committee that the policies relating to Fraud and Whistleblowing had been reviewed, making minor amendments to

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roles and responsibilities. The updated policies had been shared with the Union Management Forum with no comments returned.

Members confirmed they were in unanimous agreement to recommend the policy to the Corporation for approval.

**Item 11.3 - Resolved:** *The Committee resolved to recommend the updated policy to the Corporation for approval.*

#### A.22.53 Item 12: COMMITTEE IMPROVEMENT UPDATE

The Clerk summarised the 4 key reconditions from the review of 2020/21 and progress to date. Members acknowledged that good progress was being made with three of the four considered complete, and the final improvement scheduled to be completed as part of the tendering process.

**Item 12 - Resolved:** *The Committee resolved to note the improvements to date and implement the final improvement upon completion of the tendering process.*

**Ahead of leaving before item 13, the representatives from the internal auditors were thanked for their work and support.**

#### A.22.54 Item 13: UPDATE ON THE TENDERING PROCESS FOR THE INTERNAL AUDITORS

The Dir. Finance and Facilities provided the Committee with an update on the process to date. The Committee members were advised that Tenant were running the procurement process on behalf of the College, with the tender window closing on Monday at 10am, with three expressions of interest to date. The three companies were named, with members questioning the absence of the current provider. The Dir Finance and Facilities confirmed based on previous discussions, he had expected the existing provider to submit a tender, with objectivity maintained through the use of a different audit partner, with the Dir. Finance and Facilities agreeing to follow this up with them.

**Dir F&F**

Members were asked to inform the Dir. Finance and Facilities if they were able to support with the interview process on March 23<sup>rd</sup>, with plans to have a panel of four including two members of the Committee if possible.

**Members/  
Clerk**

The Dir. Finance and Facilities reminded the Committee of the Financial Regulations requirement for four tenders. The Committee discussed the requirement and were in agreement that although four were required, they did not need to take all through to the interview stage. Members suggested that if any were clearly scoring below the others and unlikely to be selected, it would be unfair to waste the time of the company or those involved in the interviews.

It was agreed that the scoring details from Tenant would be shared with the Committee, with the Dir Finance and Facilities informing the Committee that he had not worked with any of the other companies in the past. The Clerk informed the Committee that two were currently providing audit services (one internal and one external) at the other college she worked for.

**Dir. F&F**

**Item 13 - Resolved:** *The Committee resolved to support the Dire. Finance and*

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*Facilities with the interview stages of the tendering process.*

#### A.22.55 Item 14: REVIEW OF PERFORMANCE OF EXTERNAL AUDITORS

The Dir. Finance and Facilities informed the Committee that the circulated report was based on the existing score card, used for a number of years. The Dir. Finance and Facilities summarised the information, informing the Committee of the flexibility provided by the Auditors during the additional funding audit, adapting their timetables to facilitate the required information when delays were caused by dual pressures on the MIS teams.

**Item 14 - Resolved:** *The Committee resolved to note the information.*

#### A.22.56 Item 15: RE-APPOINTMENT OF THE EXTERNAL AUDITORS INCLUDING FEES

The Dir. Finance and Facilities informed the Committee that he had liaised with the audit firm, who had submitted their proposed fees for the 2021/22 review, noting there had been an increase of 1% in recent years, with the proposal for 21/22 seeing a 5% increase. Members considered this to be fair with RPI based at 7.5% and based on the increased standards within the work required, however, asked if this could be accommodated within the budget set. The Dir Finance and Facilities confirmed this was included, as increases had been anticipated.

**Item 15 - Resolved:** *The Committee resolved to recommend the reappointment including the proposed fees to the Corporation for approval.*

#### A.22.57 Items to be Reported to the Corporation

The Committee agreed to summarise the work of the committee through the circulation of the minutes.

The Committee agreed to circulate to the Corporation the following reports for approval:

- Whistleblowing Policy
- Re-appointment of the External Auditors (including fees)

The Committee agreed that through their update, the Corporation should be made aware of concerns raised and actions undertaken to address the increased risks relating to the conflict in Ukraine, including risks relating to cyber security.

The Committee has also recommended the consideration of the Student Journey and Apprenticeship reviews by the Standards Committee

**Item 11 – Approved:** *The Committee resolved to recommend the information as outlined above to the Corporation and at the meeting of 23<sup>d</sup> March 2022 and Standards Committee meeting scheduled for 15<sup>th</sup> March.*

#### Next Meeting of the Committee and Closing Comments

The next meeting was confirmed as Wednesday 11<sup>th</sup> May 2022

The meeting closed at 5.35pm