Scarborough Sixth Form College

AUDIT COMMITTEE MEETING
Wednesday 17 March 2021 at 5.00pm
MINUTES

Meeting conducted remotely via Teams

Present: Chairman: Andrew Gregory

                    Members: Gareth Bullen   Jason Saunby   Shaun Tymon

Also present: Lesley Clemmet, Director of Finance & Resources (by invitation)
                                        Tania Exley-Moor, Assistant Principal (by invitation)
                                        Phil Rumsey, Principal (by invitation)

                                        Heather Campbell, Clerk to the Corporation

1   **Apologies for absence**

       Apologies were received from Michael McCluskie.

       The meeting was quorate with 4 members present.

2   **Declaration of any personal conflicts of interest**

       None.

3   **Minutes of the previous meeting.**

       a   **Agree minutes**

              The Minutes of the Extra Audit meeting held on 13 January 2021 were approved and
              signed by the Chair at the Corporation meeting 26 January 2021.

              Members noted the minutes with no matters raised.

              Lesley highlighted that at the time of the last meeting she had not finalised the figures
              for the ESFA's financial health return but when she put the figures through the rating
              came back as good. She also had problems uploading the Audit Committees Annual
              Report 2020 on to ESFA portal as it was too large so she emailed it to them and
              asked them to acknowledge that they were happy with it but she has not heard back
              from them so assuming they were happy with it.

       b   **Updates from Clerk or College Management** – None raised.

c   **Action previously agreed.**

The Chair referred to Paper A2 and noted there were no outstanding actions.

d   **Matters arising not covered in agenda below** – None.

4   **AuditOne Internal Audit Updated**

a) Management Reporting going forward

The Chair invited Wayne to talk members through the management reporting processes and the actions on Rosalind to cross-check reports with the College's Schedule of Recommendations.

Wayne advised that Rosalind carried out a reconciliation of previous internal audit reports with the College's Schedule of Audit Recommendations Work in Progress documents for November 2018 and February 2019 and these were consistent and had followed-up and validated the majority of the recommendations. Rosalind highlighted having two systems was a risk as actions could be missed. The Chair advised that there were not two separate systems but the Audit Committee had in fact received two separate reports in February 2019. The intention moving forward is to use AuditOne software and Wayne explained how this works. After they prepare an audit report they put the recommendations in to their management software. A report will then be generated and shared with the College management on a monthly basis and the work in progress report will contain various tabs i.e. name of the manager responsible for the audit, target dates, completed column, lapsed actions etc.

The Chair asked if the management report will have progress reports that are being worked on so the Audit committee members can be give the Corporation the assurance that audits and risks are being dealt with.

Wayne confirmed that the reports will give an audit trail, provide a narrative of what the recommendation is, progress and ownership. If Tania is approved to lead on internal audits then she will receive the reports to allow her to push follow-up actions and targets with the named person.

The Chair advised he was concerned that the committee had received two reports back in November 2019 which had different outstanding actions and that is why he asked Rosalind to cross check these with the internal audit follow up reports carried out by AuditOne.

Wayne noted that one of the schedules had not been updated in line with AuditOne's reports which led to the confusion. He would check all the schedules and any items left on these schedules would be picked up on the new software.

The Chair asked if Wayne could send Audit members a copy of the management report that their software will produce to give members an idea of what they will be working with.

Wayne confirmed he could and will produce the management report from their software for the beginning of April and share it with Audit members for their feedback.

Lesley advised that she had a discussion with Wayne that the senior management need to look at the very old actions and if the committee is happy with the new reporting process, then management flush out the old out of date actions with the internal auditors.

The Chair agreed this was a good suggestion.

b) Internal Audit Progress Report 17 March 2021

The Chair invited Wayne to take members through the report.

Wayne referred to the progress report covered in section 4 Internal Audit Plan 2020/21 and the current status for:

- Business Continuity – this has started and the Principal is reviewing the BCP with the internal auditor – date to Audit Committee TBC
- Site Security – this is in the planning stage with w/b 12 April to carry out the visit
- Application and Enrolment – start date planned for 29 March with a phone call with the Vice Principal, Rowan
- Network Security – Auditor working on this with IT Manager and will also look at Cyber Risks
- Follow Up – this is planned to take place in September after enrolment has settled.

The Chair highlighted that Network Security is a high risk especially now that we have all been working remotely.

Wayne agreed that remote working does raise IT security and GDPR issues in particular across all sectors and the attacks on education IT systems has increased and the results of being attacked can cause reputational damage. It is important that employers train their staff on IT protocols they should be following.

ACTION AGREED

Wayne to send Management Audit Progress report to Audit members so they can have an idea of what can be produced.

5   **Consider and Approve the Assistant Principal takes over the role of Internal Audit Client Sponsor from the Director of Finance and Resources**

The Chair asked management to take members through the proposal that Tania take the lead on internal audits from Lesley.

Lesley gave a brief background on her request to Phil that she step back from leading on the internal audits as she is a member of staff down in the finance department and had considered replacement of the Business Manager with someone with an audit background but in discussions with Phil it was felt it needed to be someone on the senior team. Tania was the obvious choice as she had taken on overseeing the College's Health & Safety from

Lesley to allow her to deal with the financial side of her role. Tania was meticulous in chasing staff to complete their H&S outstanding actions and we now have up to date risk assessments for curriculum departments.

The Chair agreed that this was a good move and asked the other members for their views. They all commented it was a good idea.

Jason asked if Lesley will still attend the Audit committee meetings and Lesley said she was happy to attend the next few meetings.

The Chair highlighted that the monthly reports will help to keep the momentum going and the committee will not have to wait until the next meeting for assurance that outstanding actions are being dealt with and this will give the committee the confidence in giving their assurance to the board.

Wayne asked Tania if it would be helpful if they have a phone call meeting to go through audit with her. Tania agreed this would be good and she will email him tomorrow to set this up.

6   **Consider if any discussion items to be classified as "Confidential & Restricted"**

Members considered and other than confidential discussion item 9 agreed there were no other discussions that needed to be classified as confidential and restricted.

7   **Any Other Business**

The Chair raised that Cyber Security in the current circumstances is a top priority and suggested that management make this a priority.

Lesley observed that she thought the Business Continuity Plan would cover this as Ian Harmer; internal auditor raised it in their discussion.

Phil confirmed that Cyber Security was part of his review of the BCP and the plan is to discuss it with the internal auditor. The Chair suggested the potential need to add this as a risk to the Risk Register or the proposed board assurance framework.

Gareth highlighted that it is essential to have a Cyber Security plan in place especially in the current situation with everyone using their own devices to access work and data.

The Chair referred to the SFCA webinar on Managing Risk and Gaining Assurance and asked the Clerk to share the Board Assurance Framework that was in the webinar slides. He briefly took members through the content the framework covered and asked if the College's Risk Management and Business Assurance Report would be better in this format. The current Risk Registers were a significant improvement on the quality of information provided by the previous systems, but the committee had previously discussed and requested the need for further information to be provided with each Risk Register for e.g. who would be responsible for the actions to be taken, are the controls still effective and working, has the risk been monitored, what are the outcomes, who is responsible etc?

Phil advised he was happy to look at a similar format for the Risk Management and Business Assurance if this will make it clearer for the committee.

Shaun confirmed he had worked with board assurance frameworks like this before but need to be careful that it doesn't become an onerous task.

The Chair asked Wayne if this was something their software would produce.

Wayne advised it was not something they use as it requires inputting a lot of detail but might be possible for management to drop what they already have into a similar format but need to ensure that the risks are linked into the boards' objectives.

The Chair asked members if there was any further business and no other business was raised.

8 **Date of Next Meeting- 16 June 2021**

9 **Confidential Item(s)** – *See Separate Minute*

There being no further business to discuss the meeting closed at 5.40pm