

GOVERNORS & VOTING MEMBERS PRESENT: Iain Turri [Chair], Roger Bridgeman, Marie-Claire Harper, Richard Powell, Phillip Berry [5]

ATTENDING: Peter Harrison [Clerk to Governors], Shane Blackshaw [Executive Finance Director], Elisa Williams [Head of Data & MIS], Clare Owen [R*] [Validera– Internal Auditor Manager] (part), Kevin Mortimer [Moore SW] (part), Mark Powell [Moore SW] (part)

APOLOGIES: None [0]

ABSENT WITHOUT APOLOGY: None [0]

CIRCULATION: All Governors, & Clerk to Governors unless CONFIDENTIAL. [NOTE – [R*] remote attendance

Documents Circulated/Tabled* at Meeting:

- Document [A] – 'St Brendan's Sixth Form College – Moore SW – Audit Summary Report Year Ended 31 July 2023' – circulated previously
- Document [B] – 'St Brendan's Sixth Form College – Risk Register July 2023 – circulated previously
- Document [C] – 'St Brendan's Sixth Form College – Validera Internal Audit Human Resources Health Check 2022/2023 Report' – circulated previously
- Document [D] – 'St Brendan's Sixth Form College – Validera Internal Audit Annual Report 2022/ 2023' – circulated previously
- Document [E] – 'St Brendan's Sixth Form College – Validera Internal Audit Strategy 2023/2024 – 2024/2025 – tabled*
- Document [F] – 'St Brendan's Sixth Form College – Internal Audit Tracker Report November 2023' – circulated previously
- Document [G] – 'St Brendan's Sixth Form College – Annual Report and Financial Statements Year Ended 31 July 2023' – circulated previously
- Document [H] – 'St Brendan's Sixth Form College – Budget and Financial Plan 2023/2024 Report' – circulated previously
- Document [I] – 'St Brendan's Sixth Form College – General Data Protection Regulations Report November 2023' – circulated previously
- Document [J] – 'St Brendan's Sixth Form College – Governors' Audit Committee Terms of Reference [draft]' – circulated previously
- Document [K] – 'St Brendan's Sixth Form College – Raising Concerns Policy and Procedure' – circulated previously
- Document [L] – 'St Brendan's Sixth Form College – Freedom of Information Policy' – circulated previously
- Document [M] – 'St Brendan's Sixth Form College – Data Protection Policy' – circulated previously
- Document [N] – 'St Brendan's Sixth Form College – Audit Post-16 Code of Practice 2022/2023' – circulated previously
- Document [O] – 'St Brendan's Sixth Form College – Financial Regulations' – circulated previously

ITEM	ISSUES RAISED IN DISCUSSION	AGREED ACTION
1. Welcome	<p>1.1 Welcome: The Committee Chair Iain Turri welcomed everyone to the in person and virtual MS Office Teams™ meeting, and for the first time: Phillip Berry as a recently appointed Co-opted Committee Member.</p> <p>1.2 Quoracy: Later the meeting was declared quorate [5/6].</p> <p>1.3 Apologies: None</p> <p>1.4 Absentee without apology: None</p> <p>[NOTE – The items of business may be taken in a different order to facilitate the business, but the Minute record retains the original order of the Agenda]</p>	
2. Declarations of Interest	<p>2.1 Declaration of Pecuniary Interest/Disability Access/Equality/Safeguarding 2023/2024: There were no fresh disclosures. The Clerk to Governors reported that since the original request made to the Board of Governors in July, with one or two exceptions, all those required to complete the Declaration for 2023/2024 had now done so. The remainder are subjected to individual reminders.</p> <p>Action – Clerk to Governors</p>	<p>Clerk to Governors</p>
3. Minutes Previous Meeting	<p>3.1 Open Minutes of Previous Meeting [14 June 2023]: 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> <p>Action – Clerk to Governors to upload agreed signed Minutes</p>	<p>Clerk to Governors</p>
4. Actions Review [Agenda not itemised]	<p>4.1 Declaration of Pecuniary Interest 2023/2024 forms [Minute June § 3.1]: The Clerk to Governor confirmed the forms had been issued.</p> <p>4.2 Internal Audit Strategy [Minute June § 7.3]: The Executive Finance Director confirmed this had been completed.</p> <p>4.3 External Audit Fee [Minute June § 8.1]: The Executive Finance Director confirmed this had been completed.</p>	
5. Matters Arising	<p>5.1 None</p>	

6. External Audit [Moore SSW]

Document [A] – ‘St Brendan’s Sixth Form College –Moore SW – Audit Summary Report Year Ended 31 July 2023’ – circulated previously

6.1 External Audit Summary Report Year Ended July 2023: Kevin Mortimer [Moore SW] and Mark Powell [Moore SW] presented the report.

Introduction – Except for the following matters the audit is complete:

- Completion of the signed Letter of Representation
- Update on the Education Skills Funding Agency [EFSA] findings because of the loan amounts being borrowed more than what had been previously agreed
- Audit work on the funding assurance

There is no expectation that these matters will have any material impact on our audit findings or the draft Annual Accounts and Financial Statement 2022/2023.

Risk and Audit Approach – The following matters are considered:

- Revenue recognition
- Risk of Management override

Our Audit work has been successfully completed in all areas except the additional assurance funding question. Other additional risks identified include:

- Local Government Pension Scheme [LGPS] valuation is a noted risk
- Going Concern – We have reviewed the College’s funding agreements and cashflow forecasts. From these we can confirm that the funding is adequate for a period of at least the next 12 months after the point of approval. Whilst we are comfortable with ‘going concern’ now, the 3G pitch project will clearly utilise a significant amount of the College’s resources. Therefore, the audit risk regarding the going concern assumption remains

Risk of Fraud and Independence – The primary responsibility for the prevention and detection of fraud rests with the Management and Board of Governors. This involves a commitment of creating a culture of honesty and ethical behaviour.

Accounting Systems and Internal Controls – One core weakness to bring to your attention: three of 13 new Staff contracts examined had not been sign and retained on file.

Some other observations included:

- We note that although the initial master agreement and the Computer Sales International [CSI] payment schedule exist, documentation relating to the asset value

<p>7. College Risk Management Review</p>	<p>Document [B] – ‘St Brendan’s Sixth Form College – Risk Register July 2023 – circulated previously</p> <p>7.1 Review Risk Register Audit Committee Extract [Minute June 6.1]: The Executive Finance Director informed the Committee that the Register was reviewed in July 2023, and will henceforth be reviewed four times each year. The additional page is a summary of what changes have been made.</p> <p>The Committee noted the following:</p> <ul style="list-style-type: none"> ▪ § 1.9 Risk to property and people due to inadequate security, with the increased Staffing capacity to meet the new opening hours. A funding bid for Security Gates is to be made. ▪ § 6.16 Insolvency regime and ‘funder of last resort’ and the review of the terms of the loan agreement and increased Student recruitment to gain additional funding income ▪ § 6.24 Financial fraud and the continuation of vigilance, with security checks. Everyone has a responsibility, and the College needs to consider how it might respond in the event of a ‘Ransomware’ attack, possibly using an external specialist, or insurance cover. <p>Discussion –</p> <p>[1] The awareness of Information Technology security for Governors might usefully be considered by the Governors’ Strategy Search Remuneration Committee and the Board of Governors.</p> <p>[2] ‘Ransomware’ attack, what would be the most likely area of impact? Reported cases seem to feature on focus on Payroll data, personnel records, or bank account details.</p> <p>[3] A future Governors’ Audit Committee briefing on the College’s Information Technology security, might be considered, or some form of formal training for all Governors.</p> <p>The Committee noted the report.</p> <p>Action – The Executive Finance Director`</p>	<p>Next Agenda Standing Item</p> <p>Executive Finance Director</p>
<p>8. Internal Audit [Validera]</p>	<p>Document [C] – ‘St Brendan’s Sixth Form College – Validera Internal Audit Human Resources Health Check 2022/2023 Report’ – circulated previously</p> <p>Document [D] – ‘St Brendan’s Sixth Form College – Validera Internal Audit Annual Report 2022/ 2023’ – circulated previously</p> <p>Document [E] – ‘St Brendan’s Sixth Form College – Validera Internal Audit Strategy 2023/2024 – 2024/2025 – tabled*’</p> <p>Document [F] – ‘St Brendan’s Sixth Form College – Internal Audit Tracker Report November 2023’ – circulated previously</p> <p>8.1 Internal Audit Human Resources Health Check 2022/2023 Report: Clare Owen [Validera– Internal Auditor Manager] presented the report. The overall assurance is rated as ‘Adequate’. In summary:</p>	

<p>Internal Audit [Continued...]</p>	<p>Areas of Good Practice –</p> <ul style="list-style-type: none"> ▪ Regular staff engagement pulse surveys undertaken. ▪ Procedures suitably reflected the control environment. ▪ Key person risk had been suitably considered. ▪ Appraisal forms include discussion on wellbeing and workload. <p>Areas for Improvement –</p> <ul style="list-style-type: none"> ▪ Recruitment records to be retained. ▪ Mandatory training log to be fully completed. ▪ Staff induction and probationary reviews to be recorded. ▪ Retention of evidence to confirm access removed from Leavers. ▪ Signed employee contracts to be retained. ▪ Whistleblowing policy overdue for review <p>The Management responses were noted. Most of the matters noted are either in progress or are matters of control and administration.</p> <p>Discussion –</p> <p>[1] Interview notes were there none or simply not filed? Likely explanation is that they have not been stored in a consistent manner.</p> <p>[2] The report variably reports the retention of notes being 3 months and six months in another place. The Auditor will review and confirm with the Executive Finance Director.</p> <p>[3] Staff exit interviews are conducted on a voluntary basis and are not mandatory. This means that the record is not complete, although a useful means to measure Staff views about working in the College and to improve recruitment. The Committee was informed that various strategies are employed by the College to gather exit interviews, but these are not wholly successful. The Auditor will review with her colleagues and confirm with the Executive Finance Director.</p> <p>The Committee noted the report.</p> <p>Action – The Executive Finance Director</p> <p>8.2 Internal Audit Annual Report 2022/ 2023: Clare Owen [Validera– Internal Auditor Manager] presented the report. The Committee agreed the 2022/2023 Audit Plan, which included, 22 days reviewing</p> <ul style="list-style-type: none"> ▪ Risk Management – rated as ‘Adequate’ ▪ Payroll – rated as ‘Adequate’ ▪ Student Records – rated as ‘Adequate’ ▪ HR Health Check – rated as ‘Limited’ 	<p>Executive Finance Director</p>
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<p>Internal Audit [Continued...]</p>	<p>Discussion –</p> <p>[1] HR Health Check ‘Limited’ what was the issue? The Auditor explained that there is no formal Audit Tracker in place, and the MS Word Outstanding Audit List fails to supply the evidence required. The Executive Finance Director commented that Audit Tracker is now in place and maybe the rating might be changed.</p> <p>[2] There was further discussion about the Audit Tracker as a device. It lists the ‘Outstanding Audit Items, the ‘Action Required’, sets ‘Date for Completion’, and the ‘Evidence’. The Governors’ Committees and the Board of Governors review the Risk Register at each of their meetings. The Committee noted the report.</p> <p>8.3 Internal Audit Strategy [draft] 2022/2025: Clare Owen [Validera–Internal Auditor Manager] presented the report. It was explained that the purpose of the document is to present the findings of the Audit Needs Assessment [ANA] and to build the Internal Audit Strategy [IAS] for the College. The following areas of coverage have been identified:</p> <ul style="list-style-type: none"> ▪ Requirements and guidance issued by regulators (where applicable) ▪ Appropriate coverage of all other systems as agreed with management and Committee ▪ Areas of concern flagged by management or Committee ▪ Emerging issues, sector specific challenges, opportunities for benchmarking and sector requirements (where applicable); and ▪ Need for ongoing assurance in relation to key aspects of internal control <p>Some of the Key Findings were listed:</p> <ul style="list-style-type: none"> ▪ The College is keen for the internal audit service to recognise its context and capacity as a small Sixth Form College; recommendations should be reasonable and add value to the control environment. There are no significant areas of concern from management’s perspective ▪ The College environment is relatively stable in terms of people, processes, and systems; small Principalship Team of four ▪ There are currently approximately 2,000 learners aged 16-19 ▪ The College estate is single site and relatively modern with the most recent block opened in 2014/2015. There is a current capital project to update its sports facilities with new floodlit pitches, tennis courts and pavilion ▪ The College utilises Civica REMS Student record system, elements of Advanced Prosolution suite such as ProMonitor, and MyConcern to support safeguarding. 	
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<p>Internal Audit [Continued...]</p>	<p>Finance system is SunSystems. HR system is Software for People. Both IT and payroll are in-house.</p> <ul style="list-style-type: none"> ▪ The College has achieved Cyber Essentials and JISC have been commissioned to perform penetration testing; management recognise this is one of the largest risks to the College ▪ Regular assurance in respect of core areas of Student records and finance is valued by the College ▪ There has been no ESFA funding audit in recent years ▪ The College does not currently offer Apprenticeships, T-Levels, or subcontract provision ▪ The Office National Statistics [ONS] reclassification of Colleges in November 2022 and the requirement to comply with Managing Public Monies [MPM] and a new ESFA College Financial Handbook in 2024 ▪ Energy and Carbon reporting with Environmental Social Governance [ESG] disclosures <p>The details of the Internal Audit Strategy 2023/2024 – 2025/2026 are listed. On the basis that in 2023/2024 28 days will be allocated. The Committee was agreed that the proposed areas should be prioritised based on added value, and that the Committee Chair and the Executive Finance Director would discuss and agree outside Committee.</p> <p>The Committee noted the report.</p> <p>Action – The Executive Finance Director and Committee Chair</p> <p>8.4 Review Outstanding Audit List [Update] [Minute June § 7.3]: The Executive Finance Director presented the Internal Audit Tracker and explained its structure and how the evidence was presented and the priority colours for the actions. Changes are shown in RED INK.</p> <p>The Committee noted the report.</p> <p>Action – The Executive Finance Director & Next Agenda [Clare Owen [Validera – Internal Audit Manger] left the meeting 17:05 hrs]</p>	<p>Next Agenda & Executive Finance Director and Committee Chair</p> <p>Next Agenda & Executive Finance Director</p>
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<p>9. College Financial Matters</p>	<p>Document [G] – ‘St Brendan’s Sixth Form College – Annual Report and Financial Statements Year Ended 31 July 2023’ – circulated previously Document [H] – ‘St Brendan’s Sixth Form College – Budget and Financial Plan 2023/2024 Report’ – circulated previously Document [I] – ‘St Brendan’s Sixth Form College – General Data Protection Regulations Report November 2023’ – circulated previously Document [J] – ‘St Brendan’s Sixth Form College – Governors’ Audit Committee Terms of Reference [draft]’ – circulated previously</p> <p>9.1 Appetite for Risk Strategy [Update] [Minute § 9.1 June 2023]: The Executive Finance Director explained that the Principalship reviews the Risk Register four times each year and demonstrates a robust attitude to risk and managing risk and implementing robust controls. In addition, the Board of Governors and each of the Governors’ Committees also review the Risk Register and evaluate the impact of mitigation actions. The Auditor’s recommendation that the College should have an appetite for risk may not add value.</p> <p>Discussion – [1] Maybe it was suggested there should be a Risk Policy to address the question at all levels as distinct from the current operational actions already referred to? [2] The concept of being ‘risk averse’ might also be explored for the future. The Committee agreed that it might be useful to review this matter again at the next meeting.</p> <p>Action – Executive Finance Director & Next Agenda</p> <p>9.2 Accounts and Financial Statements 2022/2023: The Executive Finance Director presented the paper. This is a standard format, but the text highlights the key matters:</p> <p>Strong –</p> <ul style="list-style-type: none"> ▪ The positive academic achievement and progress in 2022/2023 ▪ The College’s service to the local and Catholic community ▪ The implementation of the Sports Development and project enhancement of the estate ▪ The healthy state of Student numbers and consequently the expect improved ‘lagged’ funding for 2024/2025 ▪ The operating surplus of the in-house Café Max ▪ The 2022/2023 College operating surplus <p>Concerns –</p> <ul style="list-style-type: none"> ▪ Agency Staff costs ▪ Interest increases, and impact of the College loan agreement ▪ Government funding 2023/2024 lower by circa £100k than for the September 2023 pay award ▪ Control weaknesses noted by the College Auditors 	<p>Executive Finance Director & Next Agenda</p>
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<p>College Financial Matters [Continued...]</p>	<p>The Committee discussed several matters including the new requirement of Energy and Carbon Reporting [ECR] and noted that in this challenging year the College had a clean audit. The Committee agreed that it would recommend the Board of Governors to adopt the Annual Report and Financial Statements [ARFS] along with the Governors’ Resources Premises HR Committee.</p> <p>Action – Executive Finance Director/Principal/Committee Chair</p> <p>9.3 College Budget Financial Plan 2023/2024 [Update]: The Executive Finance Director presenting the revised 2023/2024 Budget explained that the Government funding changes since July necessitate a revision to what was agreed by the Board of Governors previously. In addition, the recent pay award to Teachers and also that to Support Staff has not been fully funded by the Government. The increase in the Real Living Wage coupled with rising costs also puts pressure on the budget. The overall position is set out in Annex B of the report. The Adjusted Cash Funds Surplus /Deficit at 31 July 2024 is £729k, lower than we would wish, but after accounting longterm debt the College has net fund deficit of -£1025k, which is covered by the succeeding years’ budgets that follow. The Education Skills Funding Agency [ESFA] Financial Health report for 2022/2023 and 2023/2024 commenting about 2023/2024 ‘requires improvement’ is quite correct. As noted earlier, the Education Skills Funding Agency [ESFA] has been advised about the potential breach in the loan funding agreement and a response is awaited. The situation will be reviewed at the next meeting.</p> <p>The Committee noted the report.</p> <p>Action – Executive Finance Director & Next Agenda</p> <p>9.4 General Data Protection Regulations/ Self-Assessment Report: The Head of Data & MIS presented the report. In summary:</p> <ul style="list-style-type: none"> ▪ At the start of the Academic Year all Staff were given a briefing about the General Data Protection Regulations [GDPR] and the need for compliance ▪ Reports – <ul style="list-style-type: none"> ○ 1 breach [non-reportable] which impacted exam results for all Students to an ex-member of Staff ○ 1 near-miss [non-reportable] - An email was sent to a Student account rather than a Staff account with details of another Student ○ 1 breach of data protection policy [non-reportable - A member of Staff sent exam results to other members of Staff’s personal email addresses post results day which is a breach of Data Protection ▪ Subject Access Request [SAR] – <ul style="list-style-type: none"> ○ Education Record dating to 1999-2000 – reply no records on file ▪ Freedom of Information [FOI] – 	<p>Executive Finance Director & Committee Chair</p> <p>Executive Finance Director & Next Agenda</p>
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<p>College Financial Matters [Continued...]</p>	<ul style="list-style-type: none"> ○ Spending for 2022/2023 on recruiting temporary and permanent Staff – reply provided <p>There was a brief discussion about the actions taken about the breaches reported and the training of Staff. The Committee noted the report.</p> <p>9.5 Governors’ Audit Committee Terms of Reference [Update] [Minute June §11.1.]: The Clerk to Governors presented Audit Committee’s Terms of Reference noting that the text had been discussed at the earlier meetings, and it was confirmed no further changes were required. The Board of Governors will be invited to adopt the Terms of Reference along with those of the other Governors’ Committees in December. The Committee noted the report.</p>	
<p>10. Policy Reviews</p>	<p>Document [K] – ‘St Brendan’s Sixth Form College – Raising Concerns Policy and Procedure’ – circulated previously Document [L] – ‘St Brendan’s Sixth Form College – Freedom of Information Policy’ – circulated previously Document [M] – ‘St Brendan’s Sixth Form College – Data Protection Policy’ – circulated previously</p> <p>10.1 Raising Concerns Policy and Procedure: The Executive Finance Director introduced the document and stated that it was felt that the title: ‘Raising Concerns...’ was more attractive to Staff than that in the previous version.</p> <p>Discussion – [1] Although para § 2.4 refers to Whistleblowing and that there is formal protection under the Public Interest Disclosure Act 1998 is this adequate and might it be confused with the simpler matter of ‘raising a concern’? The previous text of the Whistleblowing Policy was more robust. It was suggested this should be reviewed before the document was adopted. The Executive Finance Director will consult the Head of HR and advise the Committee. In the event there is a change of text, or this version remains unchanged the Committee can then vote by email to record adoption.</p> <p>Action – Executive Finance Director</p> <p>10.2 Freedom of Information Policy: The Head of Data & MIS presented the policy for adoption. The changes made include:</p> <ul style="list-style-type: none"> ▪ Provision of a link to the Freedom of Information Act ▪ Updated job titles ▪ Correct telephone number Information Commission Office [ICO] 	<p>Executive Finance Director</p>

<p>Policy Reviews [Continued...]</p>	<p>Discussion – [1] Are the fees referred to in section 5 prescribed nationally or at the discretion of the College? Response they are the national rates.</p> <p><u>Proposal</u></p> <p style="text-align: center;">‘That Governors’ Audit Committee adopt the Freedom of Information Policy as presented.’</p> <p>Proposer : Iain Turri Seconded : Phillip Berry</p> <p style="text-align: right;">For: 5 Against: 0 Abstained: 0</p> <p>The proposal was adopted. Action – Executive Finance Director</p> <p>10.3 Data Protection Policy: The Head of Data & MIS presented the policy document. There was no discussion.</p> <p><u>Proposal</u></p> <p style="text-align: center;">‘That Governors’ Audit Committee adopt the Data Protection Policy as presented.’</p> <p>Proposer : Iain Turri Seconded : Phillip Berry</p> <p style="text-align: right;">For: 5 Against: 0 Abstained: 0</p> <p>The proposal was adopted. Action – Executive Finance Director</p>	<p>Executive Finance Director</p> <p>Executive Finance Director</p>
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<p>11. Safeguarding/PREVENT</p>	<p>11.1 Safeguarding/PREVENT – Committee Duty Review – standing item: The Clerk to Governors explained that this item is now a standing item on all the Board of Governors and Governors’ Committee meetings. The primary duty rests with the Board of Governors and the Governors’ Ethos Safeguarding Welfare Committee, but it is for each Committee to keep this important matter under review in accordance with their respective Terms of Reference. The Committee noted the report.</p>	
<p>12. Audit Committee Matters</p>	<p>Document [N] – ‘St Brendan’s Sixth Form College – Audit Post-16 Code of Practice 2022/2023’– circulated previously Document [O] – ‘St Brendan’s Sixth Form College – Financial Regulations’– circulated previously</p> <p>12.1 Post16 Audit Code of Practice [Minute § 11.2 June 2023]: The Committee was reminded that with the reclassification by the Office for National Statistics [ONS] in November 2022 that Colleges are ‘Public Bodies’ – there comes with that the duty to Manage Public Money [MPM]. The Committee noted the report.</p> <p>12.2 Evaluation of Effectiveness of the Audit Committee [Minute § 11.3 June 2023]: The Committee discussed this and whether a formal evaluation of the effectiveness of the Committee was necessary. Discussion – [1] The fact that the Governors’ Audit Committee meets on a regular basis should be sufficient. [2] The membership of the Governors’ Audit Committee has a variety of professional skills to attend to the business. The Committee agreed that no further action was necessary</p> <p>12.3 Committee Briefing Next Meeting: as noted above a briefing on the College’s ‘Cyber Security’ might be useful [Refer Minute § 7.1]. Action – Executive Finance Director & Next Agenda</p> <p>12.4 List Audit Committee Topics for Board of Governors: The following items were suggested:</p> <ul style="list-style-type: none"> ▪ External Audit Report 2022/2023 and Letter of Representation ▪ Internal; Audit Report 2022/2023 ▪ Annual Accounts and Financial Statements 2022/2023 and potential breach ▪ Internal Audit Tracker ▪ Policies adopted <p>Action – Committee Chair</p>	<p>Executive Finance Director & Next Agenda</p> <p>Committee Chair</p>

13. Other Business [Not Notified]	13.1 None	
14. Correspondence	14.1 None	
15. Next Meeting	Wednesday, 20 March 2024 at 16:00 hrs [Subject to confirmation] In person.	Clerk/ All Governors
Minutes of Meeting Prepared	Peter J Harrison [Clerk to Governors] Friday, 24 November 2023	
Minutes Agreed	<p>Minutes agreed as true and accurate record</p> <p>Signed: _____ Committee Chair</p> <p>Wednesday, 20 March 2024</p>	