

GOVERNORS & VOTING MEMBERS PRESENT: Iain Turri [Chair], Roger Bridgeman, Marie-Claire Harper, Phillip Berry [4]

ATTENDING: Peter Harrison [Clerk to Governors], Leanne Sowersby [Governance Professional], Shane Blackshaw [Executive Finance Director], Elisa Williams [Head of Data & MIS], Lee Glover [Validera– Internal Auditor] (part),

APOLOGIES: Richard Powell [1]

ABSENT WITHOUT APOLOGY: None [0]

CIRCULATION: All Governors, & Clerk to Governors unless CONFIDENTIAL.

ITEM	ISSUES RAISED IN DISCUSSION	AGREED ACTION
1. Welcome	1.1 Welcome: The Committee Chair Iain Turri welcomed everyone. 1.2 Quoracy: The meeting was declared quorate [4/5]. 1.3 Apologies: Richard Powell 1.4 Absentee without apology: None	
2. Declarations of Interest	2.1 Declaration of Pecuniary Interest/Disability Access/Equality/Safeguarding 2023/2024: There were no fresh disclosures.	
8. Internal Audit	8.1 Internal Audit Progress Report 2023/2024: LG talked through the key points. All reviews should be delivered on time. Noted that there have been only two recommendations from the procurement card review, around staff use of the card and training around fraud. SB will circulate the paper which is referred to , any questions can be sent directly to LG. 8.2 Review Outstanding Audit List: SB talked through the document. Noted the count of the recommendations, and that these are RAG rated. Any changes to the plan are highlighted in red text. Noted that the Environmental Policy has been approved and will be ratified by the Board of Governors. LG and SB will review the tracker after the June Audit Committee, so that there are regular progress updates. Q – What is the not applicable action? This is in Core Financial systems, and there were no recommendations – this is there for completeness to show all the audits that have taken place. Agreed that responsible person should be SB, not SB and PB <i>LG left the meeting</i>	SB
3. Minutes Previous Meeting	3.1 Open Minutes of Previous Meeting [22 November 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. Some typos were noted to be corrected. Action – Clerk to Governors to upload agreed signed Minutes <i>EW joined the meeting</i>	

<p>4. Actions Review [Agenda not itemised]</p>	<p>4.1 Internal Audit Human Resources Health Check Report: This appears on the tracker and is around staff exit interviews and is in progress. In terms of the audit verification, this will come as part of the review in the summer term.</p> <p>4.2 Internal Audit Strategy 2023/2024 – 2025/2026: updated under agenda item 8.</p> <p>4.3 Accounts and Financial Statements 2022/2023: ESFA have confirmed that they believe that we did breach the original loan approval and we have accepted this. We are now trying to confirm the next steps, as we do not know what the implications of this are. The auditors will not complete the report until this is resolved, so the accounts cannot be finalised.</p> <p>Q – When do we reach a point where Moore have to qualify their opinion? Whether it will be a qualified opinion or a comment / note in the management letter, is still to be seen. As soon as the ESFA have provided a response, it can be completed quickly.</p> <p>Discussed the risk of the ESFA penalising us for late provision of the annual report and accounts. They have had the accounts in terms of the numbers and the information we have been able to provide and have thus far given us three extensions to submit the final reports. They will need to either provide the information or ask us to request a further extension next week.</p> <p>Q – Would repaying the amount solve the issue? The issue is likely that the approval was breached and there may be no point. The ESFA have not suggested this.</p> <p>4.4 Freedom of Information Policy: This has been submitted for approval with the changes made.</p> <p>4.5 Data Protection Policy: This has been submitted for approval with the changes made.</p> <p>4.6 Financial Regulation: This is linked to the code of practice, which has now been updated.</p>	
<p>5. Matters Arising</p>	<p>5.1 None</p>	
<p>6. External Audit [Moore SSW]</p>	<p>There is no further update on this beyond the actions update above.</p>	
<p>7. College Risk Management Review</p>	<p>SB talked through the key points.</p> <p>Key to note is the changes to risk score.</p> <p>Risk 6.16 around the solvency of the college finances and budget, the risk has been increased.</p> <p>Some of the current controls and additional mitigations have been changed. This is reviewed four times per year</p>	

	<p>at Principalship. SB is trying to keep this live, and used as a tool to manage risk so will look at more regularly.</p> <p>Q – Some of the future changes are part of the continuing process of control, and this could be misleading This is one of the issues with trying to go through the register in detail in Principalship. SB now plans to look through this ahead of those meetings and ask the rest of the team to check, so that details are correct.</p> <p>Noted that the committee have overview of the whole register, while not having responsibility for many of the individual risks.</p> <p>Discussed asking each risk owner to look at their own set of risks and feedback. This could also apply to the other committees.</p>	
<p>9. College Financial Matters</p>	<p>9.1 Appetite for Risk Strategy: To pick up after the external review of governance.</p> <p>9.2 College Budget Financial Plan 2023/2024: SB talked through the report. Discussed the budgeted operating surplus and that this should be higher for 2024-25. There is a need to set some key indicators around the minimum operating surplus and cash balance, and set the budget around that.</p> <p>SB talked through the issues with the cash position and the issues that have led to this: disappointing recruitment, staff absence and agency cover, increasing utility costs, interest rates remaining high and the cost overrun on the 3G project. These together have led to an erosion of overall cash and an issue with having sufficient cans to cover peaks and troughs.</p> <p>We have deferred some payments, have put into place some savings in a variety of areas, amount to around £180k of reductions. SB will monitor each of those budget headings.</p> <p>Are also doing daily cash monitoring and providing weekly cash flow updates to the ESFA.</p> <p>The ESFA have agreed to pay an advance in March, of the April payment to avoid the upcoming trough.</p> <p>Q – Are the regular updates to the ESFA also going to governors / Resources? They are going to MC and can be provided to governors who would like to have them. This action was discussed after the last Resources committee meeting. SB will provide the updates.</p> <p>Q – Is there any support that governors can provide? The most important thing is the level of scrutiny of the management accounts. There will be different wording in the narrative – questions on the management accounts are rare. Discussion around whether there could be a training need to support governors to ask relevant questions to interrogate the accounts and maybe identify areas of concern. To be discussed further at Resources</p> <p>SB talked through the process and initial plans for the 2024-25 budget.</p> <p>We have added a termly allocation for each budget holder to smooth out the spending profile. This will match the projected cash balances over the course of the year. Any deviation from this will need to be negotiated.</p>	<p>SB</p> <p>SB/LS</p>

Q – On the non-pay budgets, if looking at budgets by the number of students, how involved are the staff in these decisions for their subject? We have not yet started the probes of these conversations. There will be a pot of money that will be distributed on the basis of the number of students and subject weighting. The budget needs to be part of an overall, costed, plan. There will be a need to realign budgets when we have the actual numbers of students on each course.

Concerns expressed around the use of student numbers, rather than based on a curriculum plan for the year. Having had to reduce budgets this year, there is a risk of the plan having being undeliverable for the money available. It is important that the plan is costed and affordable.

Noted we will also use historical information to sense check the amounts budgeted for. Programme weighting will be partially guided by the ESFA weightings, with knowledge of the priorities within the college.

Q – Concern expressed around the £200k subsidy for transport, which has previously been self-financing. Turners are pulling out at the end of this academic year. We have made inquiries, and many coach companies do not have coaches available to do the kind of morning and afternoon journeys that we require. Have, therefore, had conversations with First Bus, to look at supporting routes to get students to college, including from areas where we would like to recruit more students. If tickets are priced at full price, this can be advertised as a regular route and tickets can be used all day.

Tickets are cheaper than the current Turners' tickets. We are already at risk of losing a number of students from the current service.

The key to make this viable, to make the routes available, is to increase passenger numbers. The marketing team are receiving feedback that a direct bus route would give a minimum of 40 additional students coming to St Brendan's as a result of this proposal, which is £40,000 in funding.

Discussion around the practicalities of stopping on the college site.

9.3 Education Skills Funding Agency [ESFA] loan agreement: Discussed above

9.4 Freedom of Information Annual Report: there have been now Freedom of Information requests, no Subject Access Requests and no GDPR breaches.

Q – Was there a request around spending? We gave a very top-level reply to this.

9.5 External Governance Review: To be discussed at the Board of Governors meeting next week. IT gave a brief overview.

9.6 College Information Technology Security: This arose from the previous meeting. Governors should have the same training as school staff. Governors have now been asked to complete cyber security training through the National College.

Also need to be clear what areas of IT security governors are responsible for.

	<p>The training should bring everyone to the same level of awareness and compliance as individuals. Governors then need to consider scrutinising what the college is doing to manage the cyber security risk and how they would like this to be reported on. Could provide a standing report to cover things like breaches, actions taken etc. as well as what is planned in this area.</p> <p>It is important to keep this in the forefront of our minds, in order to avoid phishing and other risks. Regular updates would support this.</p> <p>Discussion around using blind copy on emails. This is more of a GDPR issue than a security issue, although sharing information could increase the risk of security breaches. Discussed ways to avoid emails being sent to people they should not go to.</p> <p>Q – Aside from the training, what else is done to refresh the message with college staff? Are there phishing tests? We have done briefings and tests. We tend to add something to the briefing if something has happened, or there has been a threat.</p> <p>Q – Is this something (reminders) that governors could be included in? This is usually in the staff briefing or the staff bulletin. An email could be sent to governors when those briefings are sent out. Also discussed including governors in the phishing tests.</p> <p>Q- will this paper be circulated more widely? Yes, this would be useful for all governors. Noted the planned cyber audit.</p>	SB
10. Policy Reviews	10.1 Raising Concerns Policy and Procedure [Whistleblowing]: The agreed changes have been made	
11. Safeguarding/PREVENT	11.1 Safeguarding/PREVENT – Committee Duty Review – standing item: Noted that cyber security may have safeguarding implications. Comfortable that safeguarding issues have been considered.	
12. Audit Committee Matters	<p>12.1 Evaluation of Effectiveness of the Audit Committee: – after external governance review. Also a prompt to consider areas where we could be more effective that arise in the meeting.</p> <p>12.2 Committee Briefing Next Meeting – scrutiny of the management accounts (also for Resources) IT to discuss with SB.</p> <p>Update on the financial position / cash flow.</p> <p>12.3 List Audit Committee Topics for Board of Governors</p> <p>Internal audit procurement cards</p> <p>ESFA loan approval</p> <p>Budget – noted that all governors were invited to SSRM</p>	

	IT and cyber security paper 12.4 Governors' Audit Committee Annual Report – IT still to finish. Noted that PH gave a verbal update on the last year. IT will review the minutes and will also provide a report in writing.	
13. Other Business [Not Notified]	13.1 None	
14. Correspondence	14.1 None	
15. Next Meeting	Wednesday, 12 June 2024 at 16:00 hrs [Subject to confirmation].	
Minutes Agreed	<p>Minutes agreed as true and accurate record</p> <p>Signed: _____ Committee Chair</p> <p>Wednesday, 12 June 2024</p>	