

**CHELMSFORD COLLEGE
AUDIT COMMITTEE MINUTES
Tuesday 28th February 2023 AT 4.30PM
COMMITTEE ROOM, MOULSHAM STREET CAMPUS,
CHELMSFORD**

Members:

Jenny Beaumont (Chair)
Susan Hughes
Jaya Patten*
Doug Zeeman
Jan Church
Christian Norman
Alan Pitcher

Invitees:

Paul Goddard Scrutton Bland (Internal Audit Service)*
David Warnes – Principal & CEO*
Debs Hurst (Deputy Principal, Finance & Corporate Services)
Mark Emerson (Director of Information Services)
Amy Simmonds (Executive Assistant to the Principal)
Alison Davies (Director of
Jo Styles (Director of Curriculum – MS)
*via Teams

FORMAL MATTERS

733. APOLOGIES FOR ABSENCE AND WELCOME NEW MEMBERS

Debbie Garroway, Fiona Chalk, Alice Walker (Scrutton Bland)

734. DECLARATIONS OF INTEREST AND TO NOTIFY ANY CONFIDENTIAL ITEMS

No new declarations received. No confidential items raised.

735. URGENT BUSINESS

No urgent business raised.

736. TO APPROVE THE MINUTES OF THE MEETING HELD ON 22ND NOVEMBER 2022

The minutes were agreed as a correct record on the meeting.

AP queried whether there was an update on the staff survey. DH reported that the survey is currently live and results will be brought to the June meeting.

Action: DH to bring staff survey results to June meeting.

The Chair asked for an update regarding the recent recruitment events. DH advised the recruitment days took place and the event that was held in the city centre was very successful. The current staff turnover rate has decreased, however, there are ongoing issues within lecturing staff. DH informed that we will be holding a graduate event with ARU in April.

737. MATTERS ARISING

Pending action - *A review of whether items on the Fixed Asset register that have been fully depreciated are still in use, and Scrutton Bland (IAs) to be approached to undertake this work.*

The Chair asked for the current position on the pending action. DH advised that this piece of work will be carried out with Essex Shared Services (ESS), however it hasn't been completed yet due to conflicting priorities. DH assured the committee that it will be completed before year end. Due to ONS decision, DH suggested we may need more changes to financial regs than usual.

TO DISCUSS AND APPROVE

738. CYBER SECURITY PRESENTATION

ME presented an update on cyber security. The presentation has been uploaded to the governor's portal.

SH queried how we are doing against other FE colleges in terms of cyber security. ME advised it is hard to get good benchmarking.

JC praised the use of the cyber attack simulations for raising staff awareness. CN asked if this will also be rolled out to the learners. ME advised it will be rolled out to learners, but he wanted to trial with staff first. CN highlighted it will be good to raise learners' awareness of cyber security.

JC queried whether line managers are made aware if a member of their staff has clicked through on attack simulations. JC feels it would be good for managers to be aware, so they can provide supportive dialogue with respective staff member. ME advised this is under review currently.

The Chair reiterated cyber security training on this is very important.

The Chair queried whether this will be implemented into staff inductions going forwards to reiterate standards and expectations.

AP queried whether we use 2 factor authentication. ME advised that all staff with admin user permissions, do at the moment. ME advised with learners it will need to be reviewed at different levels. CN queried if there are any accessibility requirements regarding 2 factor authentication. ME agreed.

CN asked for clarification on the options for people who cannot do 2 factor authentication. ME advised this is being reviewed for people who do not have a second device. This will be impact assessed before being widely rolled out.

DW informed that there are plans to introduce cyber essentials plus. ME is working with JISC, reviewing the readiness for this. ME advised we aspire to have this accreditation as soon as possible.

SH highlighted that she could see that governors should start using college email accounts.

The Chair asked for cyber security to be a regular item at Audit meetings going forwards, as the committee need to keep abreast of situations as they change so quickly.

- **GDPR Brief Board**

- The colleges' data protection arrangements are reviewed against a tool provided by the ICO. DZ reports that a high degree of compliance can be reported.
- ME advised that the ICO tool is being adopted into Prevent and Safeguarding, as well as GDPR.
- ME added that staffs' attitude and approach to GDPR is positive. There is a good culture embedded amongst staff regarding being aware of GDPR issues.
- The Chair asked for an update on protective marking. It was previously reported that some departments have been trialling this method. The Chair suggests this needs to be more widely rolled out and queried how this would be actioned. ME advised that there are 3 levels of protective marking. ME aims to have this implemented by the end of the academic year. DH added that staff will need to receive training during Professional Development Week in July before this is implemented.
- ME discussed the tech solutions that are currently in place for email. This tool will Protectively mark for you. SH – check on email will be very useful for staff.
- **Action: ME to take to SMT for agreed adoption date.**

- **Data Protection Risk Dashboard**

- DZ suggests that the dartboard highlights the possibility of additional risks being included on main risk dartboard for future reference.
- SH highlighted that there are no risks towards the middle off the dartboard which is vert positive.
- The Chair asked for clarification regarding 'local adhoc records'. ME advised that this is referring to legacy issues and is something that will be a continual issue that we will need to keep on top of.
- The Chair raised a point regarding the use of the governors' Chelmsford College email accounts. ME advised that information would be more secure if all correspondence was sent via the college email accounts. **Action: ME to put together a proposal re the use of governor email accounts and circulate via DW.**
- The Chair thanked DZ for his report and presentation.

739. INTERNAL AUDIT

a) Completed internal audit report 2022/23

- **Safeguarding**
- Awarded 'strong assurance'.

SCHEDULE 1

- Overall, auditors consider that the overarching safeguarding control framework is robust and effective.
- It was identified that Safeguarding Officers and DSLs have completed higher levels of training and completion of training amongst all staff is strong.
- The physical security of the campuses is good, with just one weakness highlighted. A side entrance had a broken fob upon entering the college. This has already been acknowledged and was planned to be fixed at the time of the audit. AD advised this is now fixed.
- The audit identified that the link to the Safeguarding policy on the website did not work. The IT department was investigating this at time of audit. AD advised this is now fixed.
- No recommendations were raised as a result of this review.
- AD highlighted issues with Transfer of Records (ToR). AD raised this during the audit. We have received over 600+ ToR this academic year – this is a significant concern.
- SH said she is surprised that the DfE do not simply the process for ToR.
- PG added that the college are in a good place and are in minority of having strong assurance.
- The Chair highlighted that this gives us confidence with our next Ofsted inspection. The Chair thanked PG for the feedback.
- **Maths and English attendance**
 - Awarded 'significant assurance'. This has been provided in recognition of success of the early initiatives undertaken. Auditors acknowledge that further work needs to be completed during the remainder of the academic year.
 - Attendance and culture are owned by the departments.
 - Review of processes in place at college (RAG system).
 - 12 learners were selected as a sample, regarding reviewing actions are in place.
 - Registers were timely and up to date. Showing attendance is accurate.
 - No recommendations were raised as a result of this review due to the detailed intervention plan that is currently in place.
 - The Chair advised that she is pleased with projected achievement. The Chair advised that JS needs to check it is in line with targets.
 - The Chair queried what happened with specific activities launched in departments - has there been sharing of ideas/good practices. JS confirmed that sharing best practice takes place in specific E&M meeting as well as departmental meetings. JS added that the purpose of activities was also to encourage curriculum teams to own the E&M targets.
 - The Chair highlighted that she feels the added value point raised in the report is a good idea and asked JS how this can be implemented. JS suggests looking at colleges that are the same size as us and reviewing what quals are in place. JS hopes to engage learners by taking a different qual to what

they have already taken at school to see if this impacts on attendance positively.

- JC fed back following the recent GCSE mock exams. They were held under exam conditions and all additional support was in place, as would be in the final exam. JC added that this helped the confidence of the learners. JS informed that the attendance of mocks is being tracked and learners who did not sit, have been chased.
- DZ queried whether the effects of gaps in knowledge caused by Covid have been taken into consideration. JS advised they have but feels it will be ongoing for some time.
- PG advised that he will be happy to issue a full assurance report at end of the year, not just interim.
- PG reported that E&M attendance/retention is a risk and is rising across many colleges. The Chair stated it is good to hear what is happening at other colleges.
- The Chair advised that the benchmarking data is very helpful and thanked PG for the reports.

b) Internal audit plan 2022/23 – progress to date

- The committee reviewed and discussed the progress made to date.
- PG confirmed that they are on course to complete audits.
- DW queried whether the audit on subcontracting is on PGs radar. PG confirmed that he is ready and waiting to do it.
- **Action: ME/PG to discuss outside of meeting for an audit to take place at the start of summer term.**

740. PREVIOUS AUDIT RECOMMENDATIONS, INCLUDING UPDATE ON ACTIONS

- Prepared on reports since June 22.
- Red reports were reviewed/discussed.
- PG will be carrying out further audits over the coming months.
- The Chair informed that the KPIs are being reviewed in April.
Action: DH to bring report to June meeting.
- The Chair highlighted how helpful this document is.

741. RISK MANAGEMENT REPORT

a) Strategic risk register including assurance

- The risk dashboard was reviewed. There are currently 30 risks on the register. 10 are rated as RED, 15 are AMBER and 5 are GREEN.
- Work experience – moved from amber to red. DG is working with CAMs regarding work experience. DH informed that a tutorial hour has been added to all learners' timetables to discuss work experience plans. The Chair acknowledged how challenging 30 hours placement is.
- Ofsted prep is key. DH reported that we are led to believe from ESFA/FEC that an inspection is imminent and will happen this academic year.

SCHEDULE 1

- Sport and Business are key intervention areas. Directors continue to work with CAMs. Staffing is improving with the Business area.
- Inflation/energy costs – impacting us hitting our project future targets. DH is managing the costs.
- Apprenticeship income – DH hopes to hit £1.2 mil; however, we are not there yet. DH will have a better picture towards end of April. DH forecasting a reduction to be prudent.
- Electrical staff / staff turnover are main risks. Staff who start and leave within 1 year are being monitored.
- T level Engineering & process controls – a bid has been submitted to transform Princes Road.
- DH reported that this is the largest number of red risks for some time. Actions are in place to tackle this.
- DH suggests safeguarding may need to move to a red rating at the next iteration. Further access controls/barriers at receptions are being reviewed in response to staff surveys re security.
- DH suggests cyber security may be reviewed and risk escalated in response to simulated attacks.
- AP offered help to work towards a cultural shift in terms of sustainability and going paperless. **Action: AP to meet with DH/ME to discuss paperless culture.**
- JC advised that paper usage has decreased in the learning and assessment centres, which has also resulted in a decrease in demand for plastic folders/wallets. AP noted this is great for sustainability.
- JC suggested implementing a standardised approach to assignment submissions. CN advised that risks relating to plagiarism will need to be taken into account.
- JP asked for another dimension to be added to the dartboard, in order to show which risks are likely change quickly and how impactful this could be.
- *PG left the meeting at 6pm.*

b) Business continuity and disaster management update

- The draft business resilience policy was reviewed, and DH provided a verbal update. Updates have been applied to reflect government alert scheme.
- ME will be updating further work re IT failure. A report brought to board in June for further review. ME advised he will be looking at holding some “rehearsals” if we did lose IT access.

742. FINANCIAL REGULATIONS REVIEW – VERBAL

Updated delegations schedule to account for new directors and Principal.

DH advise she will not be undertaking a rewrite or review yet as she is still receiving bitesize information from the DfE regarding the ONS. This is a longer piece of work for DH over the summer.

AP queried the impact of the ONS re-classification. DH highlighted that we need to be mindful of the rules and regulations.

743. COMMITTEE MATTERS

- **Performance review of Price Bailey 2021/22 and Scrutton bland 2021/22**
 - Scrutton Bland provide excellent support and feedback. DH reported that we have a good relationship with them.
 - Price Bailey are becoming more proficient in how FE works.
 - The Chair advised that her experience with PB is that they are very honest about the challenges and that they try to work with us, which is not something we had with previous external auditors. DH prefers the way PB present their information.

- **Appointment of external and internal auditors for 2022/23 and 2023/24**
 - Appointed Scrutton Bland on 1st Aug 21. Due for review on 1st April 24.
 - Appointed Price Bailey on 1st Sept 21. Due for review and tender will go out on 1st Jan 24. The Chair reiterated the need to keep an eye on this.
 - DH highlighted that the number of auditors in the FE market are reducing.
 - DH feels both internal and external auditors are appointable for another year. Both have performed well.
 - DH is reviewing the relationship with ESS, with particular focus regarding whether we need to bring financial intelligence back into the college. DH suggests intelligence being internal will make external audits smoother.
 - The board were in agreement regarding the recommendation of Price Bailey.

744. POLICIES

- **Re-tendering of external auditors (at least every 5 years) (verbal)**

- **Subcontracting Update**
 - The ESFA have introduced a new subcontracting standard which replaces the previous rules. As part of this new standard, the annual external audit will be replaced with a piece of work which will assess the college against the new standard. This will be carried by our internal auditors in the summer term.
 - The subcontracting threshold exemption was discussed. Due to last years agreements starting late, there is an increase to the current years planned subcontracted headcount. This is caused by funding for those learners who have carried into the current year being split across last year and this year. This has reduced the level of funding per learner and therefore will require the College to recruit more learners to bring in the same level of funding for 22/23. A business case was submitted to the ESFA and was formally approved on the 17th February 2023.

SCHEDULE 1

- The Chair queried whether the new starts for skills network will be delivered into summer term. ME confirmed they will start by Easter and will be completed by end of the academic year.
- DH advised that ideally, we would like to stop subcontracting but we cannot generate the leads for AEB currently. DH hopes to get these delivered by December 2023.
- CN highlighted this is a particularly tough market, especially due to the current financial climate, meaning people are dropping out of paid courses etc.
- CN highlighted that more people prefer face to face provision rather than remote delivery.

745. ANY OTHER BUSINESS

The Chair queried whether the LGPS was impacted by the LDI issue. DH advised that our proportion was funded by 102%. We performed very well with no losses.

The Chair suggested that DH investigates whether pension funds are using LDI.

746. DATE OF NEXT MEETING

Tuesday 20 June 2023 at 4.30pm

Signed:

Date: