

VARNDEAN COLLEGE
MINUTES OF THE AUDIT COMMITTEE MEETING
HELD ON TUESDAY 6TH MARCH 2018 AT 8.15 A.M

Present: Randall Anderson, Peter Baker, Richard Seager.
In Attendance: Elaine French, Philip Harland, Louise Pennington
Apologies: Jane Farrell, Cathy McDonnell
Welcomes: None
In the Chair: Randall Anderson

1. Apologies for Absence and Welcomes

As above.

2. Declaration of Interests

None.

3. Minutes of the Meeting held on 20th November 2017

The minutes were approved by the Committee and signed by the Chair.

4. Matters Arising

a) Action Points- progress report

The actions completed were noted and the following additional comments made:

- Item 7 IT Audit Key Findings Letter and Report:
 - item b: It was confirmed that the College did not have any other CCTV, only the proposed webcam introduced into the IT Server rooms
 - item c: Operational Strategy – ongoing progress with this document which is being considered at this week’s SLT meeting. **ACTION: Philip Harland**
 - item d: IT security implementation and associated policies – Elaine French confirmed that these had been introduced, noting that the new password requirements had been advised to staff.
- Page 6 of the papers (minutes item 9 Risk Management, first bullet point) – the sentence should be revised to read “One risk has been moved, namely the Financial Instability relation to Government Funding which is deemed to no longer be significant” and it was resolved that the minutes should be revised to reflect this. **ACTION: Louise Pennington**
- Page 17 Risk Assurance Map and red risk F4 Uncertainty caused by Government Policy (changing Government strategy and policy could impact on funding/income) – referring to the risk commentary revised in the bullet point above, clarity was sought

regarding the continuing red rating in respect of this risk and Philip Harland and Elaine French agreed to review and revise the wording to improve clarity. **ACTION: Elaine French/Philip Harland**

- Critical Incident Plan (CIP) – refer agenda item
- Learner Numbers Audit – Elaine French confirmed that the audit work was scheduled next week and that this action would be addressed in the next report. **ACTION: Elaine French**
- General Ledger audit – include copy of new checklist with Audit committee meeting papers – outstanding. **ACTION: Elaine French**
- GDPR – refer agenda item.
- Consider catering as internal assurance option in 2017/2018 audit work or next year: to be considered by SLT in due course. It was noted that the new Senior Finance Officer was now in post. **ACTION: Elaine French**
- Anti-Bribery – revised policy will be presented to SLT this week and will then be brought to the Audit Committee next term for approval. The new wording includes references regarding staff training and awareness. **ACTION: Elaine French**
- College Property Strategy (also noted in Risk Register) – work is continuing on revising this document which once finalised will be presented to Governors. **ACTION: Elaine French/Philip Harland** It was noted that further work was being done regarding the possibility of phased introduction of alternative accommodation required in September 2018 in light of predicted increased Student Numbers. SLT is proposing that consideration should be given to removing the existing mobile accommodation (the Huts) too, with improved modular units and Elaine French is investigating this with the contractor who completed the Science Laboratory work (conversion of 3 small classrooms in the Hutchings Wing); noting also that the contractor continues to hold a £20,000 deposit on behalf of the College which could be used towards the cost of further works. At the same time, SLT is liaising with the LA Planning Department regarding this. Philip Harland explained that should the College be granted the CIF bid, as previously reported (outcome due in April 2018), the College would not need to progress its alternative accommodation options. In response to a question from the Committee, Philip Harland confirmed that the LA's planning application process would take at least 10 weeks.

b) Rolling Action Plan

External Audit actions – none.

Internal Assurance actions: The Committee reviewed the schedule and the following updates and comments were recorded:

- Audit Point 1: Budget setting timetable – on-going work with Finance Department which is due to be finished within the next week and the finance checklist will then be uploaded to the intranet.
- Audit Point 3: Consider taking into account cost consideration, including on the “Authorisation to change student records” form a field to record the PLH of the new course – the follow up audit is scheduled for next week to review this.
- Audit Point 4: Pro-Solutions Students' record system, test checks to ensure that PLHs agree to the ILR etc – on-going process with some delays caused by software contractor issues regarding dates for implementation works. The Committee discussed whether the risk regarding key College systems should be included in the

Risk Register although it was noted that the College was continuing to operate within the old system, until the new one had been resolved. The deadline for transfer to the new system will be April 2018. On reflection it was agreed that the Risk Group should consider the risk associated with the switch over to the new system at its next meeting. **ACTION: Elaine French**

- Audit Point 6: ii) Governors should complete the online foundation safeguarding training etc – it was resolved that the entry within the “responsibility and action” column should be corrected, noting that the training option had been offered to Governors and that to date approximately 6 expressions of interest had been received; once Governors have completed their training they have been requested to return the certificate of completion to the Clerk and records updated accordingly.

ACTION: Elaine French

c) Risk Management Action Plan

The contents of the Plan were noted.

Regarding Category A Risk HR1 Inability to fill key staff roles, Philip Harland informed the Committee that after an interview process completed last week, a Vice-Principal appointment had been offered and accepted by an external candidate, in readiness to replace Jill Arnold who will be retiring at the end of this academic year.

d) Assurance Risk Map

The Committee reviewed the Map on page 17 of the papers and the following points recorded:

- The Committee members were reminded that the details given in the Map related to net risk, having taken into account assurances given. However it was thought that further clarification should be considered and that a discussion regarding the content of the Map and other options (heat maps) should be reviewed at the next Risk Group. **ACTION: Elaine French**
- Reference was made to the earlier discussion recorded within item 4 a) above regarding risk F4 Uncertainty caused by Government policy, noting that the wording would be revised. At this point Philip Harland also updated the Committee regarding the various new apprenticeships, T Level qualifications and associated funding together with additional funding available for Maths students, noting that this would have little impact on the College. **ACTION: Elaine French/Philip Harland**
- Risk HR1 Staff morale deteriorates – Philip Harland informed the Committee that following the conclusion of the SFCA pay negotiations with the Unions, the Teacher’s annual pay award had now been agreed (1% in respect of all scales above 6 with a fractionally higher percentage for those staff on the lower scales 1 – 6). Varndean College has few staff on the lower scales, so the impact of the pay increase on the budget would be minimal.
- The Committee considered risks associated with Local Authority Planning applications, bearing in mind that the College had two applications currently under consideration (new soccer pitch/improvements to existing pitch development and property development to the north of the site). Regarding the latter, the Committee also discussed risk MA12 Damage to College Reputation and Philip Harland updated Governors on the various submissions made and listed on the LA website. The next

LA Planning Committee is due to meet at the beginning of April and SLT hope that it will be considered then.

5. Performance Review for External Auditors and Establish Performance Indicators for Current Year

The performance indicators for the External Auditors were considered and recommended for approval to Corporation, subject to including grade 2 in respect of point 14 (what value is derived by the audit committee from the reports received from the external auditors).

ACTION: Elaine French

The Committee was also informed that a request would be submitted (formally by the Principal) to change the Audit Partner this year.

6. Critical Incident Plan (CIP) – report on scenario outcomes

Elaine French advised the Committee that the revised Critical Incident Plan CIP would be presented to the next Audit Committee meeting in June 2018, once the outcome of the Thames Valley Police visit has been completed. **ACTION: Elaine French**

The Committee considered the scenario carried out in the Autumn Term and it was noted that the main issue raised by those involved, was that staff were not fully aware of the CIP requirements, procedures and contacts. As a result training will be organised and scheduled for the Summer Term 2018, with an annual refresher to ensure staff are reminded of the process regularly. Once the training has been completed, SLT will re-test with a suitable scenario next year.

The College has recently experienced several live incidents including two power outages and one bad weather (snow) scenario, all of which have been handled effectively by staff. Regarding the power outage, Philip Harland explained that the problems arose owing to the distribution of power across three of the phases within the local sub-station provided power to the College, combined with incorrect fuses utilised within the three phases. As a result of both issues, the College has acquired a map recording how the power is utilised within the College's estates to ensure that there is a more equal distribution. Also the 420 amp fuses have been replaced, following consultation with UK Power, with 300 amp fuses, although this has resulted in the College losing 25% of its power capacity. In the longer term, UK Power has advised that a new sub-station is required and the College is investigating the necessary works, the cost of which will have to be met by the College.

At this point it was also recommended that the Risk Group should also consider "property Infrastructure – water/gas/electricity etc" within its risk review at the next meeting. **ACTION: Elaine French**

The Committee discussed the feedback on the CIP scenario report (pages 20 and 21 of the papers) and notably, the vulnerability experienced by staff during quiet times (holidays and evenings). As a consequence to help improve this, the College will ensure that all staff members present on site during holidays will be required to sign in and out at Reception so that all staff present were aware of which staff are on site. As this aspect was not a critical incident, it was agreed that this should no longer appear within the CIP reports.

7. GDPR - Report

The Committee noted the summary paper reporting on the progress towards GDPR compliance due on 25th May 2018 and also the SFCA guidance note circulated prior to the meeting.

The Committee was reminded that the College already had an existing Data Protection Policy and that this would have to be updated to reflect the new requirements.

SLT will be discussing the appointment of the new Data Protection Officer at its meeting tomorrow.

The Committee noted the 12 key points specified for action by the Information Commissioner and recommended that taking into account the significant workload, the College should take forward all points as much as possible prior to the deadline to demonstrate that the work is underway in each area.

Other issues were discussed including the fact that the College has UK, EU and International Students, consideration of encryption on electronic devices and ensuring correct handling and storage of all personal data. Requirements for Governors were also discussed noting that guidance was required for Corporation and that an audit in this area for assurance purposes should also be considered. The Committee reiterated that the data mapping exercise should also include governors and governance. **ACTION: Elaine French/Louise Pennington**

Cathy McDonnell's comment e-mailed to the Clerk and circulated to the Chair, regarding the need to issue a GDPR timeline was noted and Elaine French agreed to produce a paper for Corporation. **ACTION: Elaine French**

8. Date of Next Meeting

Monday 18th June 2018 at 8.15 a.m.

9. Any Other Business

Chair.....

Date.....

Louise Pennington 06/03/18